



theSunExchange



SOLAR CROWD-INVESTMENT

MAKING CLEAN ENERGY / GENERATING ETHICAL MONEY



/ SHARE OFFER SUMMARY



Name of the Co-operative:	SWS SEC
Est. Internal Rate of Return (IRR):	10.28 %
The revenue is:	Variable in accordance to value of electricity generated by the PV system
Investments are:	Secured as share capital in the Co-operative
The minimum to be invested is:	BTC 0.15 R 100 (for under 18s) / R1,000 (for over 18s).
Total amount being raised is:	BTC 60 R 400,000
This money will be used to:	Engineer, procure and construct a 15 kW grid-connected solar PV system on the Stellenbosch Waldorf School

This prospectus provides information about an opportunity to invest in the Stellenbosch Waldorf School Solar Energy co-operative (SWS SEC), developed and managed by The Sun Exchange. This is the first share offer to raise money for the installation of solar electricity panels on community and commercial buildings within South Africa.









Your investment will create zero carbon solar energy at the school and reduce their energy bills. More importantly it will be the first step in South Africa to taking greater control of the generation and supply of energy. It will help to reduce fuel poverty through the energy efficiency projects funded by the community fund, increase community resilience and reduce carbon pollution.









Risk Warning: This is a long-term investment and it may not be possible to withdraw your capital before the end of the term. You should read the full offer document, including the risk section before making a decision to lend and seek the advice of a qualified financial adviser where appropriate.



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/ A LETTER FROM THE DIRECTORS



THE END OF THE PETRO-DOLLAR

”

The oil industry continues to struggle and this casts uncertainty on the value of institutional funds throughout the world. Is a lasting solution only possible through a fundamental change in the mechanics of the global economy?

The Sun Exchange provides a market place through which any individual or business can invest in solar power and generate wealth that is backed by the value of photons not fossil fuels.

We are using the decentralised digital currency Bitcoin to finance decentralised clean energy. Combining these two technologies we have made global real-time trading of sunlight possible. It has never been easier to fund renewable energy and get returns that easily surpass conventional banking.

We hope you will choose to join us on our mission to make profiting from solar energy accessible for all.

The petro-dollar is done.

Welcome to the age of solar powered money.

”



/ WHO'S WHO



Lionel Chanarin
Director | SWS SEC

“

I grew up in Noordhoek, Cape Town, attending the Constantia Waldorf school. There I developed a passion for circus skills which took me around the world. Since returning to Cape Town I have completed a Degree in Waldorf Education and founded the Sisonke Social circus and the Living Arts Foundation, a vehicle for NGOs and social development projects. My vision is to bring social justice and change through the arts, sustainable agriculture, building and through renewable energy. The SWS Solar Energy Co-operative is a means to create a new social, economic and environmental paradigm where we, as a community, can actively engage in a consciously responsible and ethical manner in serving the needs of our times.

”



Violetka Georguieva
Director | SWS SEC

“

I was born in Bulgaria and emigrated to South Africa at the age of 12. After studying social sciences at UCT, I continued my passion in life and completed a bachelors of education through the CFCE becoming a Waldorf teacher. I now teach at SWS. My passion is to build a brighter tomorrow through my teaching. I wish we could live in a beautiful clean world where the children of today will become the leaders and teachers of tomorrow. I believe using environmentally friendly energy is one way to ensure this future for generations to come.



/ WHO'S WHO



Abraham Cambridge

Director |
The Sun Exchange



In 2008 I completed an MSc in the Science of Climate Change at the University of East Anglia, UK. It became clear solar energy is a crucial part of the 'save the world' tool-kit. Since then I have established several businesses that use solar energy as a means for creating positive changes in society. In 2010 I pioneered utility-scale solar in Britain and in 2012 a business I co-founded, The Renewable Energy Co-operative, was nominated 'International Co-operative of The Year' in the United Nations Year of Co-operatives. I now live in South Africa, and as a solar engineer I appreciate the sunshine! In 2014 I launched The Sun Exchange to bring community based solar finance mechanisms to South Africa and for the first time, to merge the social benefits of both Bitcoin and Solar.



Martin Wigand

Director | SWS SEC



I am teaching Math and Science at the SWS high school. I have a masters degree in Math and Physics and have taught previously for many years in other schools. Back in the 1980s I was one of the first to invest some money into a wind-craft project in Germany because I was always convinced that Renewable Energies are the obvious way into the future. As a science teacher I follow developments in this area with great interest, especially the reduction in cost of PV panels. It will be very exciting for our students to see solar panels in action, including the financial aspects of it. I have had my own small business for some years, and really look forward to do the numbers.



DID
YOU
KNOW



The energy used to make a solar panel is paid back in less than 1 year of it operating.



/ A GLOSSARY OF TERMS



? The Sun Exchange

Is the arranger of the solar generator and the Co-operative. The Sun Exchange also provides ongoing services in relation to the Co-operative.

? PSA and Leases

The Co-operative is entering into an agreement with Spier Wine Farm to lease the roof space of the SWS. Under the terms of this lease (the form of which is agreed) Spier as landlord permits us (at no charge) to use the rooftop of the school to install and maintain a PV system where there is an agreement in place with the tenant to lease the equipment and consume electricity from it under a Power Saving Agreement (PSA).

? Market Place

A service provided by The Sun Exchange on its website to allow potential buyers and sellers of Loans to find each other. There is no charge for using this or for completing a transfer of your Shares.

? Cash Return

The amount paid monthly to each Member over the remaining term of the PSA which is comprised of payments of income that you earn for investing capital into the Project.

Your Cash Returns are payable within 30 days of the end of each billing cycle to the SWS.



/ A GLOSSARY OF TERMS



? Closing Date

On the earlier of receipt of valid subscriptions totalling the Target Amount or 31 March 2016. The Closing Date can be extended at our discretion for up to 2 months provided the Minimum Threshold Amount has been reached by 31 May 2016. Subscriptions are made on the basis of “first come, first served”.

? Consumption Rate

The price at which electricity consumed by the solar PV system is paid for by SWS. This rate is tied to the initial effective offtake rate of 0.95c/kWh and track the equivalent ESKOM discounted by 5% per year. Increases are estimated as the Consumer Price Index +2% each year, on the anniversary of the signing of the PSA.

? 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.



/ A GLOSSARY OF TERMS



? Minimum Threshold Amount

Once valid subscriptions totalling ZAR 400,000 have been received, this offer can proceed. If valid subscriptions for this amount are not received by the Closing Date, the offer will not proceed and any subscriptions that have been received will be released back to investors.

? Pro-User Bonus

Bonus income being paid by The Sun Exchange to all investors in this offer that contributed to our crowd-funding campaign in recognition that their backing helped kick start the business. If you wish to access Pro-User status and unlock other perks, you can still do so through pledging here:

(<https://www.indiegogo.com/projects/the-sun-exchange-a-solar-powered-financial-system/x/10598990#/>)

? Project

The Stellenbosch Waldorf School Solar Energy Co-operative solar project consists of funding the equipment and installation of a roof-mounted solar PV systems of 15 kWp and thereafter operating and maintaining it on behalf of SWS. Under the Lease, SWS will own the solar array and is obliged to pay for energy consumed in proportion to the equivalent generation of electricity from the PV system.

? PV

Photovoltaic – when used in the context of this document, it refers to a system that converts sunlight into electricity.



/ A GLOSSARY OF TERMS



? PV system / system

Includes all the generating (solar panels or modules, inverters, isolators, cables, grid connection and so on, plus any mounting racks) and data monitoring equipment that makes up a solar PV installation, plus the lease with Spier (as landowner) that accompanies the roof-mounted solar installation giving the landowner's consent for the installation to remain for at least 20 years.

? Roof-mounted solar PV

Refers to projects where PV systems are mounted on the roof of a residential, public or commercial building and, in this case, a social housing residence, as opposed to a ground-mounted system where the solar panels are mounted on a frame and stand at ground level.

? CPI

The Consumer Price Index is the main domestic measure of inflation in the republic of South Africa and is published by Statistics South Africa. For the purposes of calculating expected Project revenue from the sale of electricity to the off-taker, we have assumed the CPI to be 9% a year for the life of the investment.

? Bitcoin

A decentralised peer-to-peer digital currency. It is to the financial system what solar energy is to the energy system; community driven and democratic and not subject to political manipulation. You can invest Bitcoin into SWS SEC where ever you are in the world and receive returns quickly and easily.



/ A GLOSSARY OF TERMS



? PV-Sol

PV-Sol® is a dynamic simulation programme for photovoltaic systems created by Valentin Software and is used by us to estimate the expected electricity generation from our PV systems. The software takes the local climate, the orientation of the solar modules and the actual components used into account. The database, which is continually updated. Integrated into the programme is climate data from several climate databases, such as Meteonorm 7, with overall records from approximately 8,000 weather stations around the world and is able to interpolate climate data for any location between those weather stations.

? Target Amount

Up to BTC 60 (equivalent to ZAR 400,000) for funding a roof-mounted solar installation.



/ A BRIEF INTRODUCTION OF SOLAR PV



Various technologies are used in the manufacture of solar PV panels – however, they all operate to convert sunlight directly into electricity (rather than using the heat from the sun to generate electricity). The amount of electricity that can be generated in a year at any given site will depend on a number of factors, including among other:

☀ The annual amount of solar irradiation the site receives which will depend on where in the country the site is located and the amount of cloud cover and/or pollution it experiences

during daylight hours at different times of the year.

☀ The orientation and tilt of the rooftop and solar panels – in the Southern Hemisphere, north-facing rooftops receive more direct sunlight which is more effective than sunlight arriving at an angle due to reflection and refraction off the glass surface of the panels. When installed on a flat roof, the solar panels are mounted on a rack so they can be positioned and angled to most effectively capture the available sunlight.



/ A BRIEF INTRODUCTION OF SOLAR PV



☀ The energy conversion efficiency from sunlight into direct current electricity of the solar panels used, taking account of the fact that the solar panels can be expected to be very slightly less effective as time goes by – the manufacturers' warranties for the panels in our system (which will be made by First Solar or equivalent product of equal or better type and quality) all estimate performance to be at least 80% after 20 years.

☀ The energy conversion efficiency from direct current electricity into alternating current electricity of the inverters used.

To estimate the amount of electricity we expect to generate we use a software system called PV-Sol, which is widely used in the industry for simulating photovoltaic system performance. We import the irradiation data through the PV Sol 7 Expert (Imported GIS) database and adjust the installation parameters such as inclination, orientation and equipment configuration to match each PV system. The software performs complete calculations and produces an estimate of the “yield” which can be expected from that system. The yield is number of kWh per kWp that can be expected over a year taking into account the variables outlined above.



/ THE STORY SO FAR

In January 2014 South Africa was undergoing significant disruption to the electricity grid whilst being subjected to energy price increases far above inflation. This was a cause for concern for the Stellenbosch Waldorf School.

At this time, The Sun Exchange was setting up specifically to enable communities to collectively finance solar energy systems, and given the schools ethos, it became clear that it would be a good fit for a co-operative solar project. The Sun Exchange approached the Stellenbosch Waldorf School proposing a solar PV project that will lower the running costs of the school and satisfy a proportion of their electricity usage from solar energy, and that it could be paid for by the community.

During the following 6 months, The Sun Exchange conducted a thorough energy audit of the school, determining its electricity consumption and historical energy bills. By doing so, it was identified that a solar PV system of approximately 15kW would be sufficient to satisfy a significant proportion of the schools electricity consumption whilst avoiding a surplus that would have to be exported back the grid.

In November 2015, the project was officially launched at the Stellenbosch Waldorf School at a free to attend public event.



/ WHAT IS A CO-OPERATIVE?



A very simple definition of a co-operative would be to say that it is a **business where a group of people get together to voluntarily address their common needs**. In the case of this project, the co-operative is called **The Stellenbosch Waldorf School Solar Energy Co-operative** and the common need is to **generate clean electricity and create zero carbon revenue**. Profits are divided among members in relation to the amount of Share Capital each member has paid into the co-operative when it was formed.

So, to participate in this Share Offer you need to be a member of the Co-operative. To join, you need to complete the Application Form on the

accompanying document and pay your Share Capital into the Co-operative's Bank Account as described. The accounts will be managed by the elected board of Directors of the Co-operative who take responsibility for financial reporting. The Directors are voted in by the Membership once a year at the AGM.

Once the target amount has been raised, you will be issued with your Membership Share certificates. They are transferable which means you can sell them (The Sun Exchange provides a free-to-use Bulletin Board where you can find buyers) if you need to re-access your capital.



/ WHAT IS A CO-OPERATIVE?



From 31 March 2016, or from the time the solar PV system is generating, the Co-operative commits to pay out income to you and the rest of the membership once per month for 20 years.

This amount of revenue will increase each year. This is your Cash Return. Solar panels are to be purchased and installed with the Share Capital raised through this Share Offer. Revenue is created through selling the electricity generated by the solar panels to the school. The Co-operative owns the asset of the solar plant, so by being a member of this Co-operative you own a share of the solar array. You also get a say in how the co-operative is being run and where and how any surplus is spent.


The table on the following page sets out exactly what you are entitled to receive each year. Bear in mind that since significantly more electricity will be generated during the summer months, about 60% of your annual income will come from the months of September through to April with the remaining 40% paid in March to August.





/ VALUES AND PRINCIPLES OF A CO-OPERATIVE





Co-operatives are a global movement and universally agree with the following Co-operative principles:


 **Voluntary and open membership**
Anybody can join a Co-operative if she/he is able to use the Co-operative's services and are willing to accept the responsibilities of membership.


 **Democratic member control**
One member, one vote. Each member participates in making decisions for their Co-operative.

 **Member economic participation**
Members contribute towards the capital of their Co-operative

 **Autonomy and independence**
Co-operatives are controlled by their members. Even if they enter into agreements with other organisations, they must make sure that their members keep control.

 **Education, training and information**
Co-operatives must provide education and training for their members to help to develop their skills (e.g. all members could receive business skills training).

 **Co-operation amongst Co-operatives**
The spirit of co-operation should be applied to other Co-operatives by willingly sharing ideas, knowledge and experience.

 **Concern for community**
Co-operatives should contribute to the sustainable development of their communities for a better life for all.



/ WHY JOIN THE STELLENBOSCH WALDORF SCHOOL SOLAR ENERGY CO-OPERATIVE



Earn income payable monthly over a period of 20 years with an effective internal rate of return of 10.28% gross.



Receive regular income payments from 31st March 2016 until 31st March 2036 which will increase annually.

Assuming you are a member of the Co-operative and hold share capital in it, the graph and the table in the Returns for Members page shows how earnings increase on your outstanding capital annually due to the rising cost of electricity over time.

The Risks section explains what happens in the event there is insufficient generation to cover your Cash Returns. The Shares are transferable to anyone who is a member of the co-operative and any one can join the co-operative (in accordance to the rules of the co-operative) which means you can sell them (or transfer them to a relative for example). The Sun Exchange provides a Market place to help you find potential buyers.



Receive regular monthly repayments on your capital.



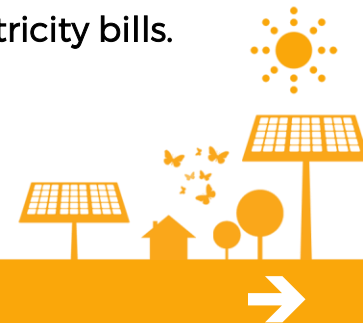
Receive income which increase in value annually.



Use the Bulletin Board provided by The Sun Exchange if you need to sell, the use of which is free.



Help generate clean, green electricity for The Stellenbosch Waldorf School and lower their electricity bills.



/ WHY JOIN THE STELLENBOSCH WALDORF SCHOOL SOLAR ENERGY CO-OPERATIVE



6 GOOD REASONS

- ① You know exactly where your money is going and how it's being used. It's being used to solar power a school. You will get regular updates on the amount of energy that the Project is generating and regular updates on how much revenue the project is earning.
- ② You will know exactly what you are entitled to receive in income payments over the life of the project.
- ③ You will notionally protect your capital from the effects of inflation.
- ④ Receive an average 10.28% (before tax) effective rate of return or 2.0x your original investment (note, returns and repayments of the amount you lend are not guaranteed – see 'The risks' section).
- ⑤ Receive monthly payments from the day you confirm a subscription until 31 March 2036 which are payable as long as the Minimum Threshold Amount has been reached.
- ⑥ Get access to an investment that becomes increasingly productive the longer you hold it – the longer you hold your Shares, the higher the rate of return is on the amount of original capital, see the table on [page 33](#).



/ BENEFITS FOR ALL



? **Benefits For All**

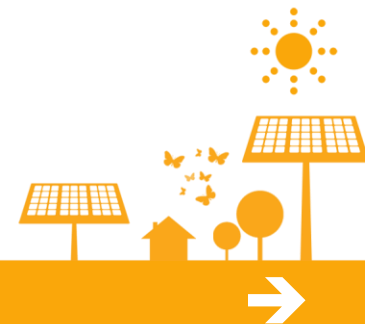
Community-owned renewable energy projects deliver wide-ranging benefits for investors, roof owners, the local community and the environment.

? **Community Involvement**

The local community becomes an energy producer and changes the way we think of, use and produce energy. People being involved and playing a part in local projects builds a sense of community and resilience.

? **Roof Owners**

Turns empty roof space into money generators, and such diversification is good for the community and is good for business.



/ BENEFITS FOR ALL



? Reducing Carbon Emissions

If emissions continue to grow at present rates global temperature could rise as much as 7 °C above pre-industrial temperature by 2100. This will lead to more extreme weather events such as droughts. This will result in crop failures, food shortages, environmental refugees and potentially leading to international conflicts. In the immediate term, the project will reduce the associated environmental damage from fossil fuel use and extraction.

? Strengthening the Local Economy

A substantial amount of money leaves the our local economy through utility bills. By enabling roofs in communities to generate energy, we can support the local economy by reducing the need for electricity from outside the area. This can form a base from which to go totally 'off-grid'. It also reduces our dependence on fossil fuels mainly imported from outside the region and country.



/ COMMUNITY FUND



Part of the revenue generated from the solar installations will go into the dedicated SWS SEC reserve fund. As a member, you have voting rights as to how this fund is utilised over the lifespan of the co-operative. This fund is intended to be used to cover for operation and maintenance of the solar energy system, but when there is a surplus it is to be

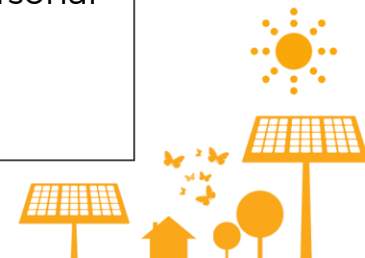
used to support projects which promote energy efficiency and help to alleviate fuel poverty in South Africa.

Our neighbouring community group, The Living Arts Foundation, will be invited to be involved in any decisions with the local community regarding

the allocation of a part of the community fund. Community groups can apply to the fund and members, the local community and directors will assess applications and use a participative process to decide on which projects to support.



We are giving members the opportunity to provide an extra boost to the community fund by electing to donate their income to the fund rather than receiving it into their personal bank account. If you would like to do this, please indicate where applicable on the application form.



/ THE PARTIES INVOLVED

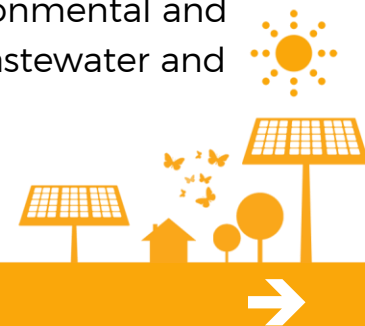


? Stellenbosch Waldorf School (SWS)

The Stellenbosch Waldorf School is an independent school where children from all the different communities that live in the Boland and Helderberg's exquisitely beautiful towns and farms can develop into adults who have been empowered for thinking and living in a challenging world, prepared for contributing to the building of sustainable communities, and whose individual creativity has been allowed to flourish. Now in its 23rd year they focus not only on academic education but also on the building of inner strength and character. Individualism is encouraged, with a profound, positive effect on the children.

? Spier

Spier is one of the oldest wine farms in South Africa with a recorded history dating back to 1692. While rooted in this heritage, Spier has a vibrant and conscious energy. The winery is one of the most awarded in the country and the four-star Spier Hotel and meeting facilities offer inspiring Winelands getaways in the tranquility of nature. Spier is committed to doing the right thing for the environment and communities, and is renowned for its responsible tourism approach. The farm has been recognised by various external organisations including Fair Trade in Tourism (FTTSA) and the Wine Industry Ethical Trade Association (WIETA). Spier's environmental and social initiatives are many and varied, and include ways to reduce water usage. 100% of their wastewater and over 97% of their solid waste is recycled. SWS is located within Spier Wine Farm.



/ THE PARTIES INVOLVED



? The Sun Exchange

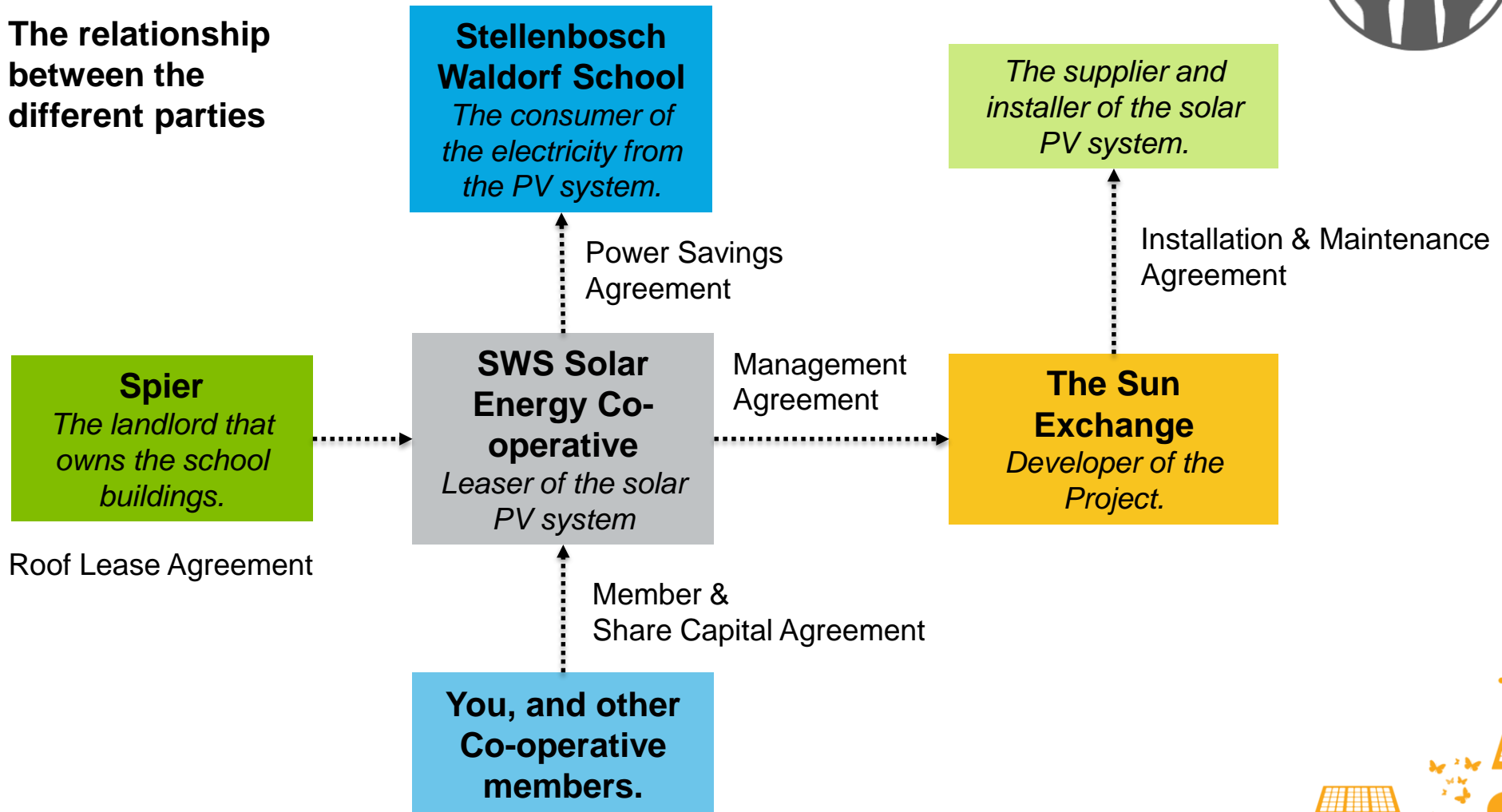
Founded in 2014 to fill the funding gap experienced by developers of small and medium commercial solar PV projects and to provide a platform for people to divest from fossil fuels into solar energy. The Sun Exchange was initially funded through crowd-funding on Indiegogo in 2015 and hosts solar investment opportunities around the globe so that the sun need never set on a lenders solar portfolio. For lenders, The Sun Exchange is a one stop shop to identify fully validated and reliable solar investment opportunities, developed and checked by our in-house solar and financial experts. For borrowers, The Sun Exchange is source of low cost finance and electricity with additional benefits of social engagement.



/ ORGANISATION DIAGRAM



**The relationship
between the
different parties**



/ FROM SUN-SHINE TO CASH RETURNS

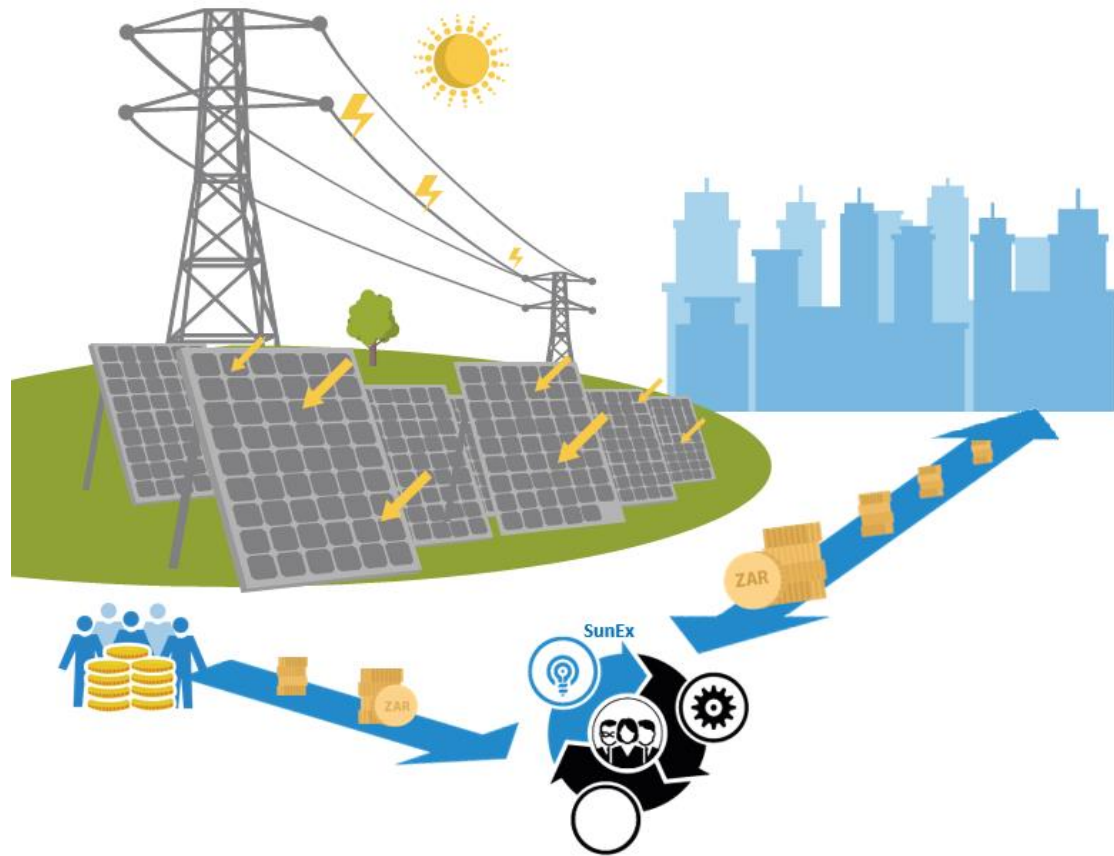


One of the key advantages of solar PV is that the amount of output a system will generate in any given year can be predicted with a good degree of accuracy. We believe that any predictions or forecasts we give as to future performance of revenues are reasonable and are based on reasonable assumptions including those in this document and, where possible, supported by objective data.

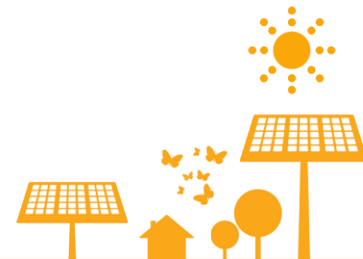
However, performance may be affected by risks and other factors set out in this document including those listed in 'The risks' and therefore they are not reliable indicators of future performance or revenues. Payment of returns depends on there being sufficient surplus after costs. The calculations presented in the Returns to Lenders section assume that Co-operative costs have already been met.



/ FROM SUN-SHINE TO CASH RETURNS



Yield 24,809 kWh	X	Price 0.95c / kWh	=	Revenue 23,568.55 ZAR	-	Costs 1171.79 ZAR O&M fees Insurance	=	Income
								



/ HOW YOUR MONEY WILL BE USED



Once the Minimum Threshold Amount of BTC 60 (ZAR 400,000) is reached, this will go to purchase the equipment and pay for the installation of the PV system. Specific details of the solar asset that will be implemented are on the following page.

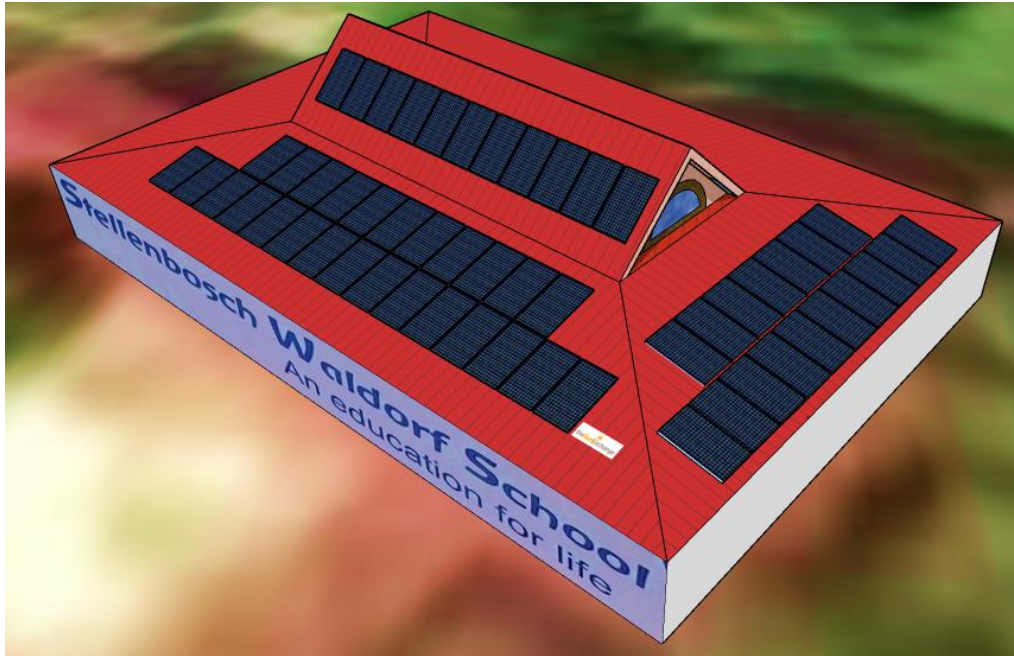
In the event we raise more funds than can be deployed to purchase and install completed systems, that excess capital will be returned to investors, starting with the last subscription received and working backwards in time.

The money raised includes The Sun Exchange's set-up fee (which will be covered by the amount being raised).

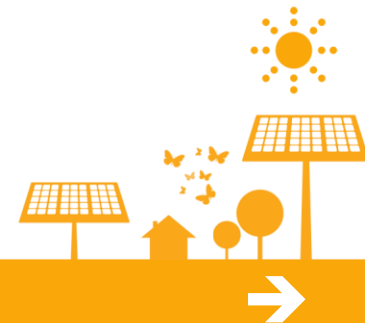
The Sun Exchange will pre-fund a cash buffer 'Reserve' designed to provide additional cover in the event that there is an initial Share Capital shortfall.



/ THE ASSET



theSunExchange



/ THE ASSET



Solar PV System Size	15 kWp
Solar Panel Type	Thin-Film
Manufacturer	First Solar
Inverter Type	Solar Edge + Power Optimizers
Inverter Warranty	Inverter: 10 Years / Power Optimizers: 25 Years
Forecast Annual Output	24,809 kWh
Power Savings Agreement (PSA)	Charged at ZAR 0.95 per kWh consumed
Total Project Cost	BTC 60 ZAR 400,000
Module Degradation	0.07% per year
Power Warranty	25 Years



/ RETURNS FOR MEMBERS

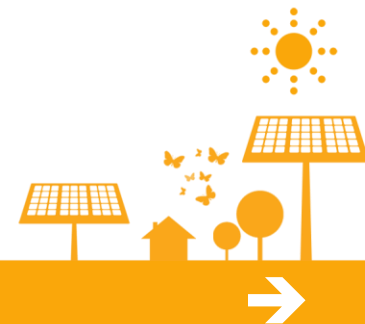


This is an opportunity to invest Share Capital into a collective pool to pay for the installation of a solar PV system to power the Stellenbosch Waldorf School. Members will receive a proportional share in the revenue from the Power Savings Agreement (PSA).

In the first year this will yield an equivalent interest rate of **5.6 %** in year 1.

This revenue will increase as the value of the electricity rises. Using an estimated yearly price increase rate of CPI + 2% per year, the Internal Rate of Return is **10.3%**.

Income is paid out monthly. As a greater proportion of the electricity generated by the system will be in the summer months, payments in this period will be proportionally greater than income created in the winter months.



/ RETURNS FOR MEMBERS



If you were to invest the minimum amount of BTC 0.15 into SWS SEC you can expect the yearly income shown here:

Notes:



Interest rates are quoted net of all management fees.



Actual returns cannot be completely guaranteed as it is variable with the value of electricity generated.



It has been assumed that the cost of electricity will increase at 2% above the South African inflation rate as agreed in the 20 year PSA.



Returns are pegged to the ZAR.
You can see more details of the potential risks, as well as the controls The Sun Exchange has put in place to try to mitigate these risks in the risks section of this document.

Year	Lender % Return	Income (BTC)	Accumulated Income (BTC)
2016	5.56%	0.0083	0.0083
2017	6.12%	0.0092	0.0175
2018	6.74%	0.0101	0.0276
2019	7.42%	0.0111	0.0388
2020	8.17%	0.0123	0.0510
2021	8.99%	0.0135	0.0645
2022	9.90%	0.0148	0.0794
2023	10.89%	0.0163	0.0957
2024	11.99%	0.0180	0.1137
2025	13.20%	0.0198	0.1335
2026	14.52%	0.0218	0.1553
2027	15.98%	0.0240	0.1792
2028	17.58%	0.0264	0.2056
2029	19.34%	0.0290	0.2346
2030	21.27%	0.0319	0.2665
2031	23.40%	0.0351	0.3016
2032	25.73%	0.0386	0.3402
2033	28.30%	0.0425	0.3826
2034	31.12%	0.0467	0.4293
2035	34.22%	0.0513	0.4807
Average Annual Return on Investment			16%
Internal Rate of Return			10.28%



DID
YOU
KNOW



The sun produces enough energy in
one second to power the United
States for 9 million years.



/ SAVINGS FOR THE SCHOOL





There will be no upfront costs for the School for installing the array. The entire engineering, procurement and construction costs will be borne the share capital raised by SWS SEC.

The School will consume the electricity from the solar array at a cost per kWh discounted from the equivalent Eskom (SA's national electricity utility) price.

Once Time Of Use (ToU) has been accounted for, the electricity consumption price through PSA in Year 1 will be **0.95c/kWh ex VAT**.

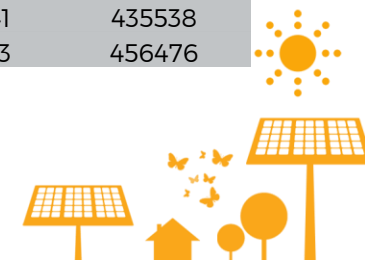
Notes:

-  The ESKOM electricity price is assumed to escalate at CPI + 2% each year.
-  The table above assumes a CPI rate of 9%.

Year	Solar Yeild kWh (dgr 0.07%)	kWh Sell Price (ex VAT)	EQV. ESKOM Price (ex VAT)	Annual Savings (ex VAT)	Accumulative Savings (ex VAT)	Accumulated CO2 Savings
Y1	24709	0.95	1.01	1482.54	1482.54	24709
Y2	24511	1.05	1.12	1715.77	3198.31	49220
Y3	24312	1.17	1.24	1701.84	4900.15	73532
Y4	24114	1.3	1.38	1929.12	6829.27	97646
Y5	23915	1.44	1.53	2152.35	8981.62	121561
Y6	23717	1.6	1.7	2371.7	11353.32	145278
Y7	23518	1.78	1.89	2586.98	13940.3	168796
Y8	23320	1.97	2.1	3031.6	16971.9	192116
Y9	23122	2.19	2.33	3237.08	20208.98	215238
Y10	22923	2.43	2.58	3438.45	23647.43	238161
Y11	22725	2.7	2.87	3863.25	27510.68	260886
Y12	22526	2.99	3.18	4279.94	31790.62	283412
Y13	22328	3.32	3.53	4688.88	36479.5	305740
Y14	22129	3.69	3.92	5089.67	41569.17	327869
Y15	21931	4.09	4.35	5702.06	47271.23	349800
Y16	21732	4.55	4.83	6084.96	53356.19	371532
Y17	21534	5.05	5.36	6675.54	60031.73	393066
Y18	21335	5.6	5.95	7467.25	67498.98	414401
Y19	21137	6.22	6.61	8243.43	75742.41	435538
Y20	20938	6.9	7.34	9212.72	84955.13	456476



These figures are all in South African Rand which is the currency that the use of the system is paid in.



/ CO-OPERATIVE O&M FUND



SWS SEC will lease the solar asset to the school and receive 5% of resulting revenue to cover admin, management and maintenance costs.

Any surplus from this fund is to be used for community projects. The membership can vote on how this fund is utilised.

The adjacent table shows the overall income to come into the co-operative from electricity sales revenue after member revenue has been paid out.

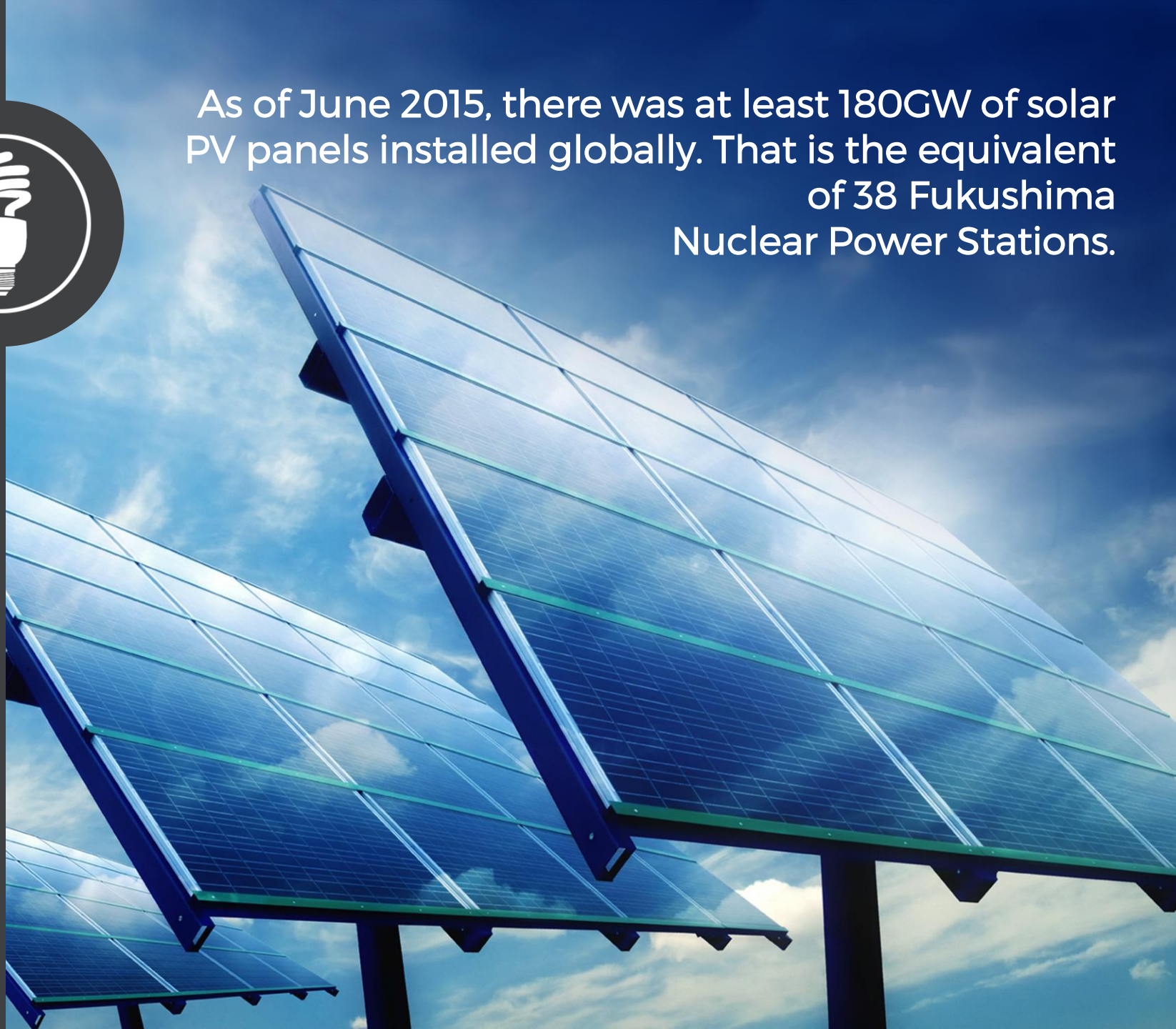
Year	Electricity Sales Revenue (ZAR per annum)	Accumulated Fees Into Co-operative Reserve Fund
1	23475.80	1171.79
2	25849.62	2464.28
3	28461.44	3887.35
4	31334.89	5454.09
5	34495.95	7178.89
6	37973.14	9077.55
7	41797.75	11167.43
8	46004.17	13467.64
9	50630.13	15999.15
10	55717.04	18785.00
11	61310.35	21850.52
12	67459.92	25223.51
13	74220.47	28934.54
14	81652.01	33017.14
15	89820.38	37508.16
16	98797.76	42448.05
17	108663.31	47881.21
18	119503.81	53856.40
19	131414.39	60427.12
20	144499.32	67652.09



DID
YOU
KNOW



As of June 2015, there was at least 180GW of solar PV panels installed globally. That is the equivalent of 38 Fukushima Nuclear Power Stations.



/ THE RISKS



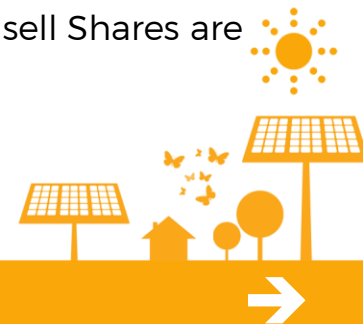
We cannot set out all the risks that may be involved in an investment in the co-operative. You should consider whether joining is suitable investment for you in the light of your own personal circumstances and take advice as necessary. These are some of the risks that may be involved.



Things you need to know about the investment:

Member Share Capital invested is an unsecured obligation of the Stellenbosch Waldorf School Solar Energy Co-operative. Although the co-operative is obliged under the terms of the Membership Agreement to pay members Cash Return owing to them and notwithstanding that it will do what it can to ensure this does happen, there is no certainty that you will receive the whole or any part of the expected Cash Return if, for any reason outside of it's reasonable control, there is insufficient cash to make those payments.

Membership Share Capital is designed to be long-term investments and it may not be easy to sell shares quickly or sell them at their original value. Therefore, you should consider what is the right amount for you given your own circumstances. The Sun Exchange will provide a Bulletin Board where you can find potential buyers for your shares if you need to sell. There is no regulated marketplace for the Shares and, therefore, the options to sell Shares are limited.



/ THE RISKS



However, if you need to sell your Shares in a hurry or, for whatever reason, you are unable to find an investor to purchase your Shares for the original amount that you paid, you may not get all of your original investment back.

At the time of formation, SWS SEC is exempt from the National Credit Act and the Co-operative Banking Act.

Estimates and Projections. 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 this Offer Document – we won't necessarily update them. These statements may involve known or unknown risks, uncertainties and other important factors which could cause our 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.



/ RISKS SPECIFIC TO THE PROJECT



RISK

Pre- and post-operational issues relating to the quality of installations

IMPACT

Loss of electricity production

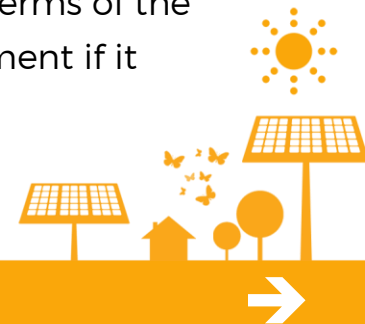
MITIGANT

The Design Agreement between us and the installer provides for an audit upon completion. The EPC contract with includes a 2-year Defect Warranty period from the date of installation and all equipment is warrantied for 10 years. In addition, we will only use the solar panels that come with a manufacturer's warranty guaranteeing certain levels of performance over 25 years. Similarly, we will have

warranties in place for 10 years for the inverters and for the mounting structures and isolators.

The cash reserve to be held by the Co-operative should be sufficient to cover for any remedial work or equipment replacements after this warranty period ends.

In the event that there are any installation or operational issues with the PV systems, the installer will pursue the relevant party on the Co-operatives 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 we have on all our equipment if it makes commercial sense to do so.



/ RISKS SPECIFIC TO THE PROJECT



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 panels upon termination.

RISK

Legal or lease-related issues regarding the rooftops where the systems are installed

IMPACT

Increased legal costs

MITIGANT

The solar panels are to be installed under the terms of the 20-year Spier roof leases and, therefore, we will have a registerable interest upon the roof space upon which the panels are installed. Spier as landlord has limited termination rights (essentially upon insolvency or, where there has been a specific default under the lease in relation to that building). Should Spier terminate the Lease in any other circumstances, SWS SEC may need to exercise legal remedies through the courts, which may be a costly and time consuming process. If the school leave the premises, the lease will defer to the new tenant.



/ RISKS SPECIFIC TO THE PROJECT



RISK

Operational costs are not fixed for the duration of the project and may increase more than we have estimated

IMPACT

Higher costs and therefore reduced operating profit

MITIGANT

The terms of the O&M is 2 years subject to a right to extend for further 2 year periods and appropriate termination clauses to ensure the service is of high quality at a competitive price.

RISK

Installer becomes insolvent leading to termination of the O&M contract and/or EPC contract

IMPACT

The Co-operative is unable to secure the same level of service at the same price resulting in greater costs

MITIGANT

There are a significant number of O&M and installation providers in what is becoming a well-established market, reducing the likelihood of not finding a competitive and qualified replacement.



/ THINGS WE HAVE NO CONTROL OVER



? The level of inflation

To calculate returns, we have assumed a CPI of 9% over the life of the Co-operative.

? 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.

? Installation delays

We believe we have allowed plenty of time to complete the installation of the PV systems so that there are sufficient revenues to pay Cash Returns. The cash buffer is also available should we experience unforeseen delays (for example, due to weather). However, despite this, it is possible that we experience significant delays that could hamper the Co-operatives ability to pay Cash Returns.



/ THINGS WE HAVE NO CONTROL OVER



? Government policy

There may be changes in laws, regulation or government policy which might impact an investment in the Co-operative or the rights of share holders/members in it. These may include, for example:

- ☀ Changes to tax law which might affect us or make it less advantageous for you to hold Shares.
- ☀ 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. Also, an investment in the Co-operative may be affected by general economic circumstances which may lead to increases in costs or unforeseen expenditure.

? Solar irradiation

We have based the estimated output on the irradiation data provided by the PVGIS database. However, should solar irradiation be lower than our estimates, our ability to repay the share capital and revenue might be affected.



/ THINGS WE HAVE NO CONTROL OVER



? Insolvency or restructuring risk

The Issuer together with any supplier, partner or contractor on the Project can be the subject of insolvency or restructuring procedures which may affect whether they can perform their obligations. This may also means 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.

? Key personnel risk

Over the term of the Co-operative, key members of the team may change which may impact it's ability to perform it's obligations. The Sun Exchange has implemented a clear organisational structure and implemented a sharing of important duties and responsibilities between key staff and external resources to mitigate this risk and the Co-operatives constitution explains how responsibilities are nominated and delegated. A Co-operative is a community driven entity, and therefore it is down to the individual members to ensure that management is sufficient.



/ THINGS WE HAVE NO CONTROL OVER



? Currency risk

Revenue into the Co-operative will be received in South African Rand. BTC returns are calculated at the spot ZAR/BTC price at the time of each payment. Non-SA investors will be exposed to the currency volatility risk.

? Insurance risk

We, or a contractor, may, where economically practicable and available, endeavour 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.



/ TERMS AND HOW TO SUBSCRIBE



Issuer of the Shares Certificates: Stellenbosch Waldorf School Solar Energy Co-operative

Instrument: Membership Share Capital

Target Amount: Up to BTC 60 | ZAR 400,000

Minimum subscription: BTC 0.15 | ZAR 1,000 (ZAR 100 for under 18s)

Minimum Threshold Amount: Unless valid subscriptions for the target is reached on or before the Closing Date, the offer will not go ahead and if you have made a subscription your cash will be returned to you via your account.

Opening Date for subscriptions: 31 January 2016

Closing Date for subscriptions: On the earlier of 31 March 2016 or the date that valid subscriptions totalling the Target Amount have been received. Subscriptions are made on the basis of "first come, first served".

Option to extend Closing Date: The directors of The Stellenbosch Waldorf School Solar Energy Co-operative reserve the right to extend the offer period for up to 2 months.

Subscriptions: Subscriptions are made through completing and returning the application form either electronically or in hard copy.

Initial revenue: Accrues from the day of the solar energy system commissioning date at an estimated equivalent Internal Rate of Return of 10.28% p.a., payable in arrears within 30 business days of the end of each calendar month.

Cash Return: Payable monthly, comprising a payment of income (which increases yearly).

Pro-User Bonus: Payable by The Sun Exchange to Indiegogo backers in recognition of the fact that they supported the start-up of the business during the seed capital raising stage.

Estimated End Date: 31 March 2036

Transferability: Transferable on your instructions to anyone who is a member of the Co-operative.

The Sun Exchange fees: Any fees payable to The Sun Exchange for the ongoing administration of the Co-operative and paid by the Co-operative. There is also a one-off set up fee covered by the initial share offer. Your rate of return is quoted after the deduction of these costs including the Co-operative fees.




Default events: Failure to pay amounts payable within 30 days, breach of other terms of the deed (not remedied within 30 days), insolvency or analogous event, and cessation of business.



/ HOW TO SUBSCRIBE



Before completing the application form, make sure you have read the whole share offer. If there is anything unclear consider taking appropriate financial and other advice. We suggest you pay particular attention to:

-  The Risk Factors section which describes risks relating to an investment in the offer shares.
-  The terms and conditions of the offer, as when you complete the application form you are agreeing to them.
-  The Rules of the Stellenbosch Waldorf School Solar Energy Co-operative as when you invest you will become a Member of the Society and will be bound by the Rules.

PAYMENT

For the share offer please pay by EFT or Bitcoin for the exact amount shown in the box under 'Amount to invest'.

If using Bitcoin please email SWS@thesunexchange.com prior to transfer to confirm the amounts being transacted. Payment in full is required with your application and directors will acknowledge receipt of your application and payment. You can make more than one application as long as your total holding isn't in excess of the maximum. Once payment is made, it cannot be withdrawn.

Directors will return any monies within one month of the close if they decide not to issue shares to you or to scale down the amount. No interest will be paid on monies returned to you.

DATA PROTECTION AND MONEY LAUNDERING

The data provided by you will be stored on a computerised database and will only be used for SWS SEC purposes and will not be disclosed to any third party. In relation to anti money laundering regulation, SWS SEC may require you to verify your identity.

Online applications:

Complete EFT
Download and complete your application form
Email to:
SWS@thesunexchange.com

Postal applications:

Complete EFT
Print and complete your application form to: SWS SEC C/O Stellenbosch Waldorf School, Spier Campus, Annandale Road, Stellenbosch.

For more information:

Tel: +27 71 411 4473
Email: SWS@thesunexchange.com
Web: www.thesunexchange.com



/ LEGAL DISCLAIMER



This Offer Document has been prepared by The Sun Exchange (Pty) Ltd, ("Sunex") the developer of the Project ("Issuer", "we" or "us").

The role of The Sun Exchange is to facilitate co-operative financing of a solar energy generator ("the Project") and to provide a platform for investing in it. It is not advising you as to the merits of, or making a personal recommendation to you in relation to, investing in the Project. You should consider carefully whether an investment in the 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 Offer Document including the information set out in 'The risks'.

The value of investments can go down as well as up and you may not get back the money you originally invested or make any return on your investment. Forecasts, estimates and projections as to future business or returns 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 investing in the project, including any accounting or tax issues, you should seek independent advice from an authorised person who has experience in advising on investments such as these. Nothing in this Offer Document should be read or understood to be financial, investment, tax or accounting advice.

This Offer Document has not been approved by a regulator. The Project has not been admitted to listing on any regulated market and will not be dealt on any stock exchange or other such market. Investment in the Project is available only to members of The Stellenbosch Waldorf School Energy Co-op (SWS SEC) and in accordance with the Terms of Service at www.thesunexchange.com. This Offer Document is intended to be circulated in any other country in which this may be done lawfully. It does not constitute an offer to sell or the solicitation of an offer to buy any securities in any country or jurisdiction where such offer or solicitation would be unlawful.



/ THANK YOU



Heidi Newton-King

Sustainability and HR Director at Spier



We are really excited about this new initiative and fully endorse and support The Sun Exchange and the Waldorf school who are an important part of the community on our farm.

As you may or may not be aware, energy is huge issue for us in South Africa, and this ability to look at alternative energy options with such innovate funding mechanism is really exciting and we wish you all the best.”



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Registered Office: W17, The Watershed, V&A

Waterfront, Cape Town, South Africa

Company Registration Number: 2015/142280/07

