theSunExchange

CROWD SALE

SOLAR CELLS *for a*

45kW Solar PV Plant *to power*

Tyre Corporation | Rustenburg, SA

OVERVIEW

This brochure describes how to purchase and lease your solar cells to Tyre Corporation and earn an estimated income equivalent to 10% annual return for 20 years.

This document explains where your money will go, what we will do and how you will receive lease rental payments.

Offer	Purchase silicon solar cells to be installed in a complete solar system leased via The Sun Exchange (Pty) Ltd. to Tyre Corporation (Pty) Ltd's Rustenburg Facility
Price	Fixed at 105.00 South Africa Rand (ZAR) per cell. ZAR and BTC payments accepted
Quantity	10,380 cells available (4.33W per cell)
Lease Rate	Estimated ZAR 10.00% IRR over 20 years. Initial year estimate 8.00% (2)
Lease Term	20 years (3)
Eligibility	Anyone, subject to identity verification

Currency Guide (1)

ZAR	105.00
USD	7.75
BTC	0.0069

(1) As of 4 January 2017

(2) Forecast maximum internal rate of return if leased for the full term. Includes insurance premiums, taxes, fees and expenses to Soventix, The Sun Exchange (SunEx) and others. Forecast uses SunEx's P90 solar yield assumptions. Effective lease rate may be higher or lower due to home country tax benefits, currency values, and others. Lease rate varies according to a variety of factors including Tyre Corp lease payments to SunEx, South Africa CPI and Eskom electricity rates, and others. Please read the terms and risk factors in this Product Information document for more details.

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

HOW IT WORKS

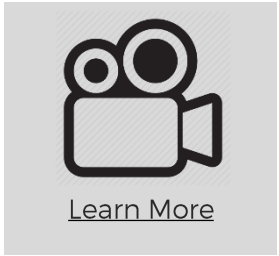
Your purchased solar cells will be leased to Tyre Corporation as part of a 45kW solar energy system

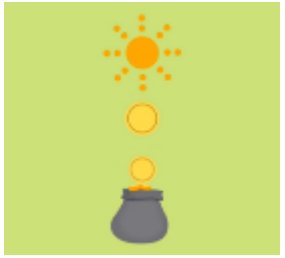
Your solar cells produce electricity on a predictable schedule

Tyre Corp pays lease payments for usage of the system for each kWh of electricity consumed

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

Access The Sun Exchange's real-time solar energy production data to track the performance of your solar cells.

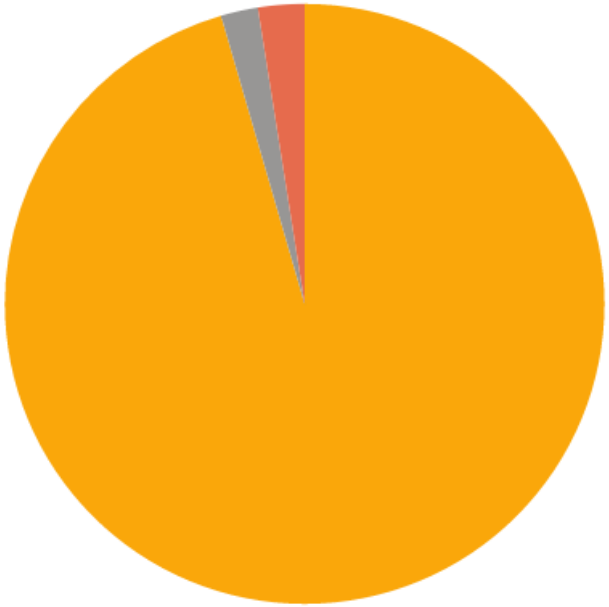




INCOME DISTRIBUTION

In Year 1, Tyre corporation will pay ZAR 1.80* for each kWh of solar electricity consumed from your solar cells. This pie chart shows how this income is divided.

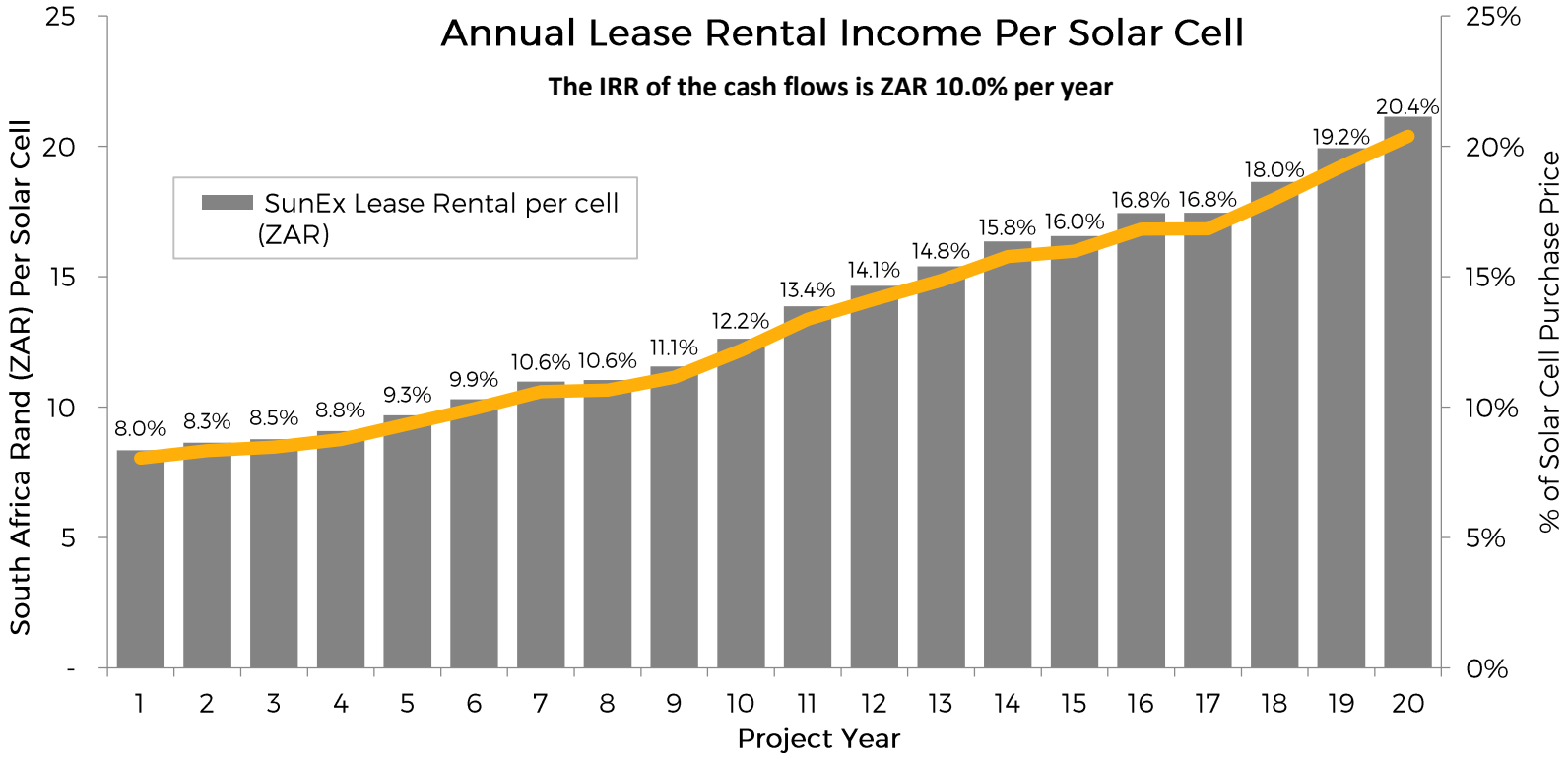
*Annual electricity price escalation is estimated at 7%.



- ZAR 1.719 - Rental income payment to you (95.5%)
- ZAR 0.045 - The Sun Exchange Service Fee (2.5%)
- ZAR 0.036 – Solar plant insurance premium (2%)

20 YEAR INCOME PER SOLAR CELL

The value of the electricity generated by your cells is estimated to increase by 7%* per year. This chart shows how your rental income may grow over time.



*Estimate is based on historical electricity price increases in South Africa.
For more detail see HISTORICAL SOUTH AFRICA ELECTRICITY PRICE AND CPI.

SOLAR POWERED MONEY

Buying solar cells through The Sun Exchange is easy.

1. Create an online account at www.thesunexchange.com
2. Complete the identity verification process
3. Choose your currency and make payment in ZAR 105.00 / BTC ~0.01 increments (the price of each cell).
4. Your payment is held in a separate account [1] until the required number of cells are sold or the sale ends.
5. For Bitcoin payments, you may place an Order where the number of solar cells allocated will depend on the ZAR/BTC exchange rate when the sale ends. [3] The Sun Exchange adjusts the Bitcoin price, so you can check your dashboard to track how many cells you may buy. You can only buy whole units, so any unused BTC will be returned to you

This crowd-sale ends 60 days after announcement or when 10,380 solar cells have been sold, whichever is sooner [2]

You cannot cancel your order before the crowd-sale ends. If we terminate the sale early, your money will be returned in full in your payment currency

(1) See the Foreign Exchange Schematic in the Appendix for more details. ZAR payments kept at First National Bank SA. BTC is kept at an account at Luno.
(2) Our website will show sale progress towards the target. Sale end many occur quickly and without warning.
(3) Immediately prior to sale end, BTC required to buy integer numbers of solar cells will be exchanged to ZAR, inclusive of any foreign exchange commissions we pay to third parties. Excess BTC amounts will be returned to the account holder. We may use exchange rates and fees that reflect conditions in international currency markets at the time, in our sole and absolute discretion. BTC exchange rates can be volatile and unpredictable; we accept no liability for foreign exchange losses or fees

GETTING PAID

Tyre Corporation has agreed to rent the solar system. This agreement is enforced through a 20 year operating lease contract. Tyre Corp's ZAR currency rental payments, after payment of expenses to operate and insure the system, will help determine the amounts we pay to you. How this happens depends on your purchase currency and where you live:

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

You will receive lease rental at least monthly paid in ZAR into your nominated ZAR account.

IF YOU PURCHASE YOUR SOLAR CELLS IN BITCOIN

ZAR currency lease rental payments will be digitized to enable secure and efficient payments made at least monthly. We will convert ZAR to BTC and send payment via the universal Bitcoin digital currency network. ZAR is converted to BTC when the payments are sent out using the exchange rate at that time.

Throughout the world, The Sun Exchange is partnering with Bitcoin exchanges that can convert your digitized rental into your local currency. Please check with us to see if we have partnered with a digital currency exchange in your home country. If we don't yet have such an agreement in place where you live, you'll need to set up a digital currency account with your local exchange to convert your rentals into local tender, or you can simply keep your funds in Bitcoin.
If you get stuck or are unsure about any of this process, please get in touch with one of our team.

FAQ

WHAT IF THE SOLAR PLANT BREAKS DOWN?

The solar plant will be under an installation defects warranty for the first 2 years. The inverter is under warranty for 10 years and the solar panels have 25 year power output guarantee. After year 3 some of the lease rental income will go into a reserve maintenance fund to finance any remedies that are not covered by the fire, theft and damage insurance policy that will be in place for the duration of the lease period. The estimated lease rental income illustrated to you takes into account these fund payments.

ARE THE CELLS STILL MINE AFTER THE 20 YEAR LEASE?

Yes they are and you may sell them to the end-user for their depreciated value or we can negotiate an extended lease with Tyre Corp.

WHAT IS THE INCENTIVE FOR TYRE CORP TO LEASE THE SOLAR PLANT? WHY ARE THEY NOT FUNDING IT THEMSELVES?

Leasing the solar plant reduces their overall energy costs and will enable them to expand their operation. Many businesses view electricity as a variable cost and would rather not use their working capital to fund energy generating hardware. Simply leasing the solar plant is an easier business decision.

CAN I BUY SOLAR CELLS IN MULTIPLE PROJECTS?

Of course! This is the strength of our crowd-selling model. Owning solar cells across multiple project reduces the your exposure to a default on one isolated project.

FAQ

ARE THERE ANY GUARANTEES IN PLACE THAT TYRE CORP WILL HONOUR THE 20 YEAR LEASE PAYMENTS?

The lease is legally binding for 20 years. In the event of a default the solar plant may be relocated to another project or a new building occupier may take over the lease. We have conducted due diligence on Tyre Corp and you can view their financial data in this document. The Sun Exchange also has 'skin in the game' as we own the remainder of the solar plant and receive on-going service fees. As such we wouldn't host a project that we did not believe would fulfil the lease term.

IF THE PROJECT DOESN'T REACH THE ESTIMATED RETURNS DOES THE SUN EXCHANGE STILL RECEIVE A SERVICE FEE?

The Sun Exchange only receives a service fee once the solar production and lease income reaches the estimate communicated in this document. If there is a shortfall, we forego our fees to make sure your rental income is maximised.

IF I PAY IN ZAR CAN I GET RENTAL INCOME PAID IN BITCOIN?

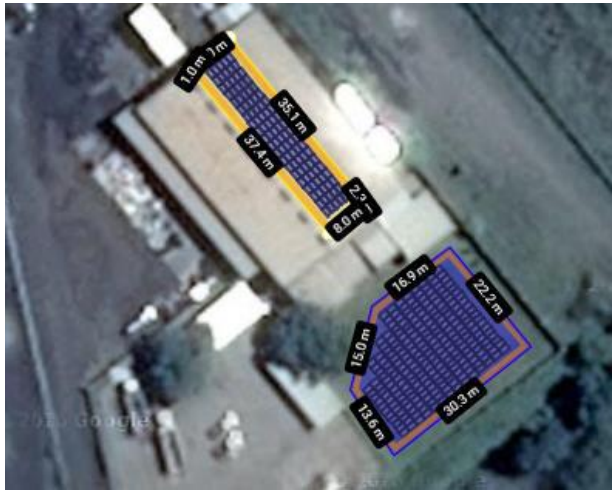
Yes you can. There is a setting for this when you set-up your account and you can change this setting at any time.

YOUR SOLAR CELL

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

CanadianSolar

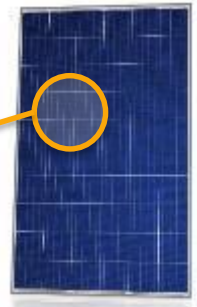
Purchased solar cells can be installed in a 45 kWp rooftop solar system



Tyre Corporation Rusternburg
Cobalt Street, Rustenburg, South Africa

Solar cells are the 'business end' of a solar energy system and are mounted in modules 60 cells at a time. Tyre Corp requires 10,380 solar cells to meet the 45kW target, that is 173 x 260W solar modules.

Silicon cell



Silicon cell-based solar module

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

OWNING A SOLAR CELL

OWN SOLAR CELLS POWERING THE SUNNIEST CONTINENT ON EARTH AND GENERATE SOLAR-POWERED RENTAL

OUR SERVICES

A market to purchase tier 1 solar cells (rated at 4.33 W per cell) + Registration of your cells and arrangement of leases + Deployment of your cells in a complete solar installation, plus insurance and ongoing maintenance + Provision of a dashboard to track the performance of your solar cell and a robust payment process

- Purchase solar sells and lease them for 20 years
- Tyre Corp pays for all the electricity generated by the system
- Rental doesn't depend on government tax breaks or special tariffs
- The crowd-sale of solar cells enables us to purchase supporting equipment such as mounting structures, inverters, cables, etc.
- We estimate a ZAR 10.0% p.a. rental rate over the 20-year term
- You may be able to sell your solar cells through a secondary market
- We will give you a reference number for each cell giving you its exact physical location so you can visit it!

Purchasing a solar cell enables you to lease them such that businesses can power their operating equipment. We can arrange the lease agreements, insurance coverage, equipment maintenance and other contracts when you complete your purchase.

You also have the option to acquire physical possession of your cells when you purchase.

LEASING SOLAR CELLS IS A LONG-TERM COMMITMENT SUBJECT TO VARIOUS RISKS AND MAY NOT BE SUITABLE FOR EVERYONE

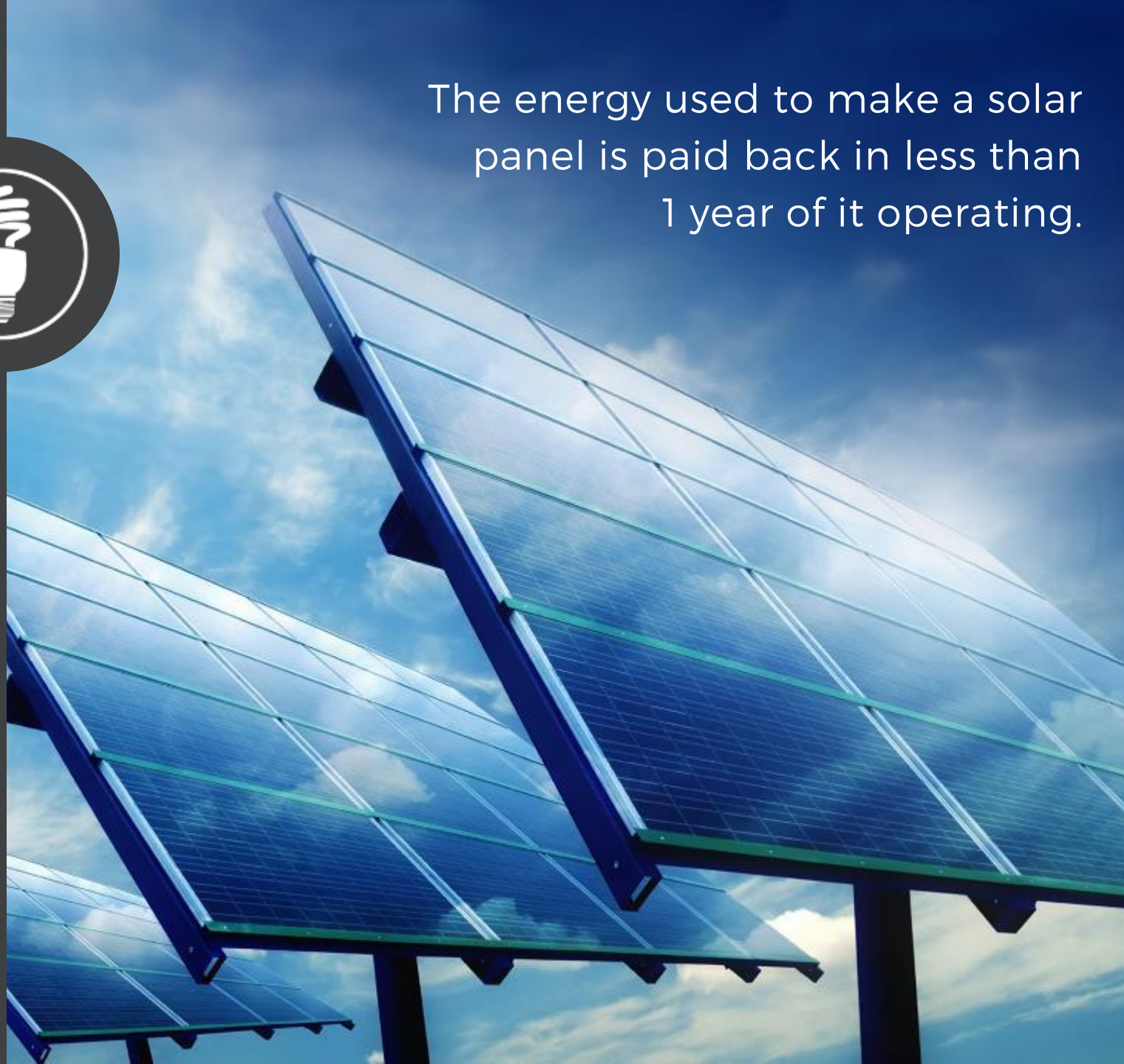
Realized solar cell lease rental might differ from that forecast. The actual rental depends on the value of the electricity generated which can differ from project to project and from solar cell to solar cell. Rental depends on the amount of sunlight received which we have predicted with 90% certainty. Your rental also depends upon Tyre Corp's compliance with the lease contract terms. The ZAR exchange rate may affect the rental value in your currency; we provide on page 28 a table estimating the impact of foreign exchange and electricity prices.

You may sell your leased solar cells to other registered The Sun Exchange account holders, however, there is no guarantee you can successfully sell them after purchase.

The Sun Exchange arranged this crowd-sale after making reasonable enquiries with both the EPC contractor and Tyre Corp. following industry best practises. Our involvement isn't a recommendation to purchase and lease solar cells for this project; the decision is solely yours. Consult a professional advisor if you are unsure.

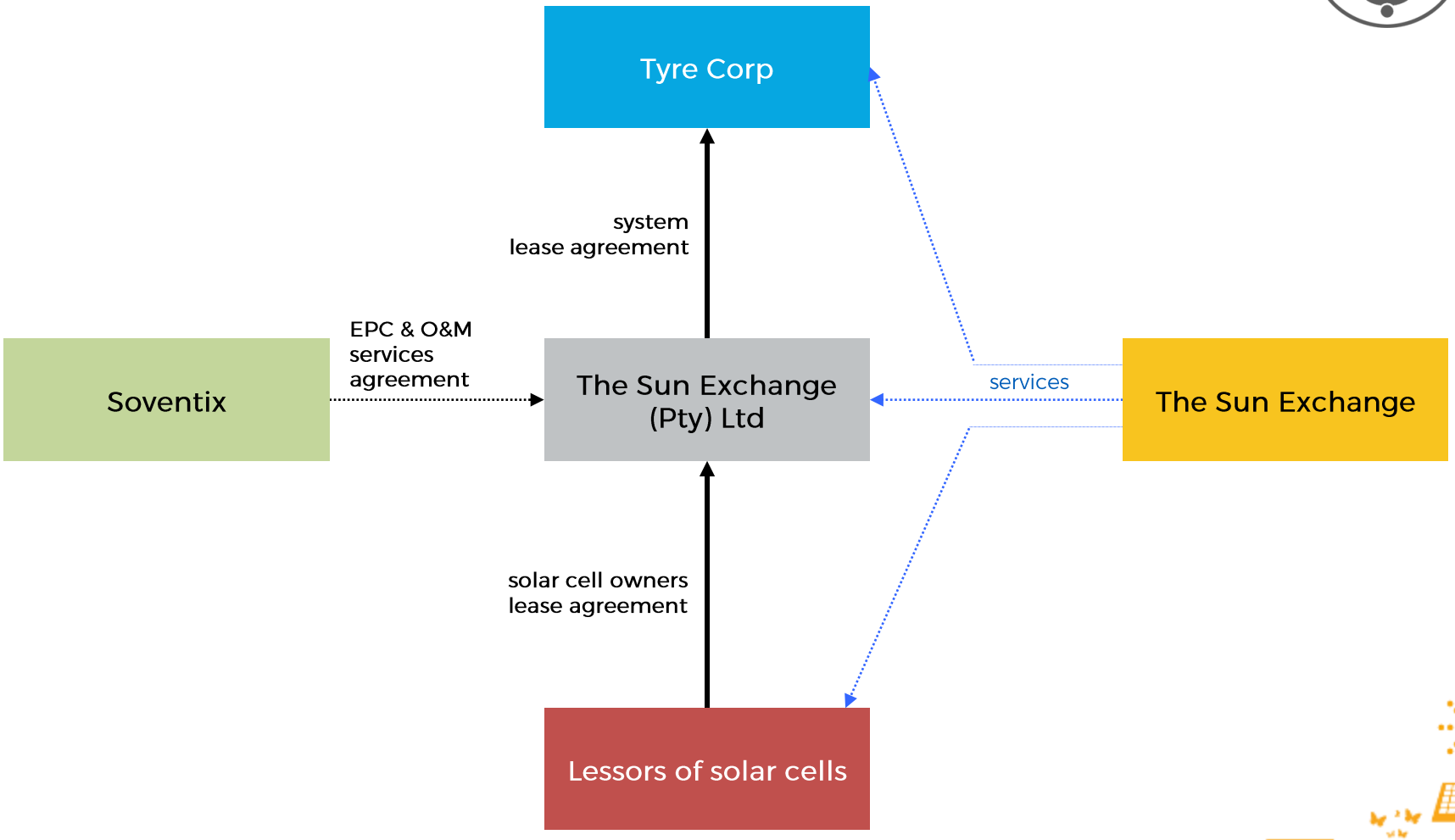
The Sun Exchange isn't liable for the accuracy and completeness of this product information document, where that information was provided by third parties, including Tyre Corp and Soventix.

DID YOU KNOW



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

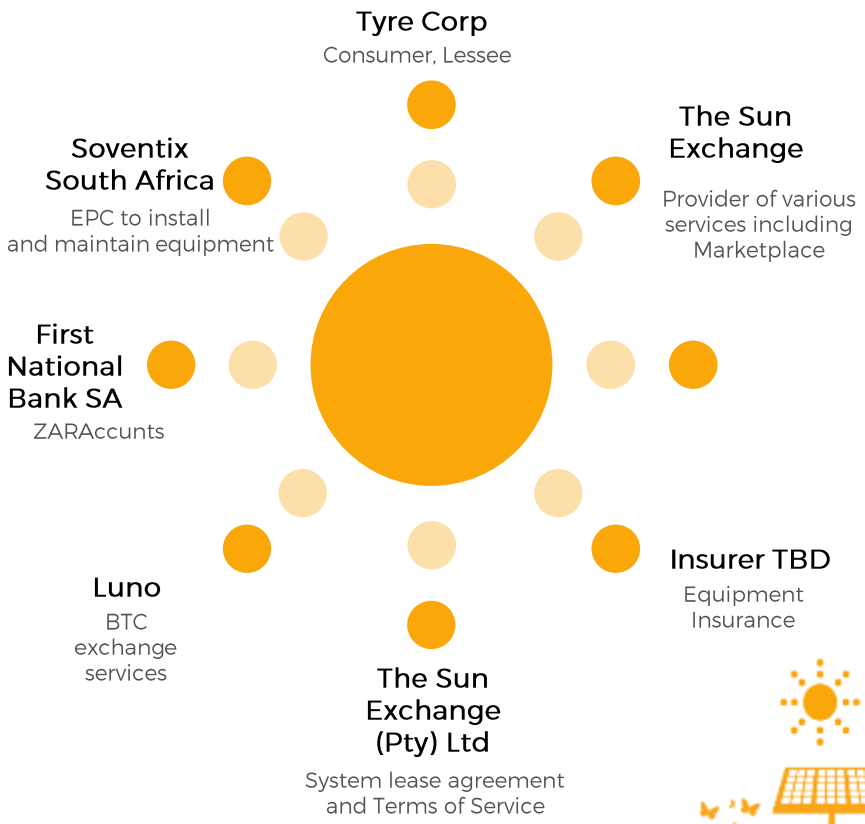
SYSTEM PARTICIPANTS



SYSTEM PARTICIPANTS

LEASE OF THE SYSTEM INVOLVES THE FOLLOWING PARTIES:

PERSON	ROLE
You / Lessor	Lessor of the solar cells to The Sun Exchange (Pty) Ltd.
Tyre Corp	Solar energy Consumer, that leases the system from The Sun Exchange (Pty) Ltd.
Soventix South Africa	Engineering, procurement, construction and maintenance of the solar system
First National Bank	ZAR accounts for solar cell rental collection and payments
Luno	Digital currency exchange transactions
The Sun Exchange (Pty) Ltd	Lessor of the entire solar system to Tyre Corp
The Sun Exchange	Provider of marketplace and various services

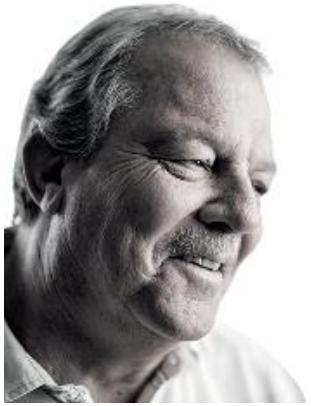


PROFOUND KNOWLEDGE OF THE MINING AND TRANSPORT TYRE INDUSTRIES

Tyre Corp is the leading independent service provider and supplier of tyres to the underground and surface mining markets in South Africa and the surrounding region.

Tyre Corp's Group CEO, Colin Brown, says: "Tyre Corporation trades in South Africa, Namibia, Botswana, Zambia, Zimbabwe, Lesotho, Swaziland, DRC and Mozambique with a large service network in each country. The company has been very fortunate in that the collective skills and understanding of our business has kept its momentum. Our commitment to sound principles and values has ensured that we have 'raised the bar' in all situations. Tyre Corporation is not a wholesaler. We deal directly with the customer being the end user, and we are in a situation where we understand what customers require."

"One of the company's greatest successes is our independence without interference from a new tyre manufacturer. Our success is also based on our profound knowledge of the mining and transport tyre industries by the founders and key staff who joined the group as equity stakeholders and business drivers."



Colin Edmund Brown
Chief Executive Officer

Source: Mercantile Bank, http://www.mercantile.co.za/50years/

TYRE CORP

SERIOUS ABOUT TYRES – SERIOUS ABOUT SERVICE

The founders of Tyre Corporation bring a wealth of business experience, financial muscle and profound knowledge of the tyre industry, particularly in the mining and transport industries which involves technical expertise, tyre management, on-site services and distribution.
The directors of Tyre Corporation collectively hold a proven successful history based on market knowledge, professional management and integrity.

Business Segments

Mining - construction - industrial
Truck - bus - agricultural
Retread - remould

Services

Truck and bus on-site services
Truck and bus technical support
Mining, construction & industrial on-site services
Mining & construction technical support
Tyre Vision
Wheel alignment - balancing
Breakdown services

Products

Accessories, tubes and flaps, wheel rims, repairs, stock retreads, remoulds, retreads, new tyres

Regional Footprint

Tyre Corp operates through 42 locations that are strategically located near client sites to provide high quality service

In addition to a large branch network in South Africa, the company also has a significant branch presence in Botswana and Namibia

Dedicated To

Superior products, superior service, superior people
Training, safety, accountability, responsibility.

http://www.tyrecorporation.co.za/

TYRE RETREADING IS GREEN

Independent tests demonstrate that the manufacture of retread tyres generates far less CO^2 than that of new tyres.

Retreading uses less natural resources – a typical Titan or Fury Retread and/or Remould uses significantly less oil than an equivalent new tyre. Use of energy and other petrochemicals during the production process is also lower.

Retread tyres produce less waste. Operators can cut waste by 50 percent with a retread policy. At Tyre Corporation all scrap casings and tyres are disposed of via REDISA-approved registered agents; waste is recycled where possible. All granular residue and dust produced during the retread buffing process is collected and recycled; it is reprocessed into a diverse range of products including material for road-building, playgrounds, industrial flooring, etc.

Retreading is the only technology that can breathe new life into the unused part of a tyre – quality tyre casings are regenerated in an eco-friendly fashion. Modern retreading is safe, reliable and cost-effective.

A retread achieves a service life at least as long as and comparable to a new tyre, and matches it all the way when it comes to quality and safety. Our Inspectors not only check whether the casing is suitable for retreading but in particular also make sure the casing is in a fit state to provide a reliable link between the vehicle and the road for the retreaded life of the tyre.

Both the materials and manufacturing process used by Tyre Corporation have achieved absolutely top quality standards. We are SABS and ISO 9001 approved. The manufacturing process is subjected to strict regulations and the retreading plants only use high-quality products.

Commercial truck type tyres can be retreaded up to five times. Retreading reduces cost-per-kilometer, improves cash-flow, and reduces exposure. Simply put, retreading makes sense.

ISO 9001 SABS

TYRE CORP

"If you can't measure, you can't manage"

Tyre Corporation holds contractual agreements with the largest percentage of South African mining operations. This has been achieved through the supply of quality brands, products and services.

Our market dominance is sustained as a result of a strong belief in trading ethically, distribution coverage, continuous improvement processes and the value each Contracted Customer benefits from as a result of Cost Containment Initiatives.

Tyre Corporation's Technical Department is knowledgeable in all aspects of After Sales Service, Tyre Maintenance requirements, Tyre Management, Report Generation with our own uniquely in-house developed software TYRE VISION and Key Performance Indicators.

We place an enormous amount of emphasis on Continuous Improvement Processes and products, equally staying in touch with international best practices. Our understanding and experience in the industry will ensure our Customer's practices, support processes and systems reach higher levels of quality, service and profitability.

TYRE CORPORATION

SERIOUS ABOUT TYRES - SERIOUS ABOUT SERVICE

Our formula optimizes tyre performance

Optimization of tyre performance can only be achieved by applying stringent and disciplined technical know-how, hands-on operational management, and adherence to standard operating procedures. This can only be achieved if performed by an independent service provider such as Tyre Corporation who is neutral to all brands and can table accurate, unbiased results with integrity.

Cost reduction is achievable when combined with the effective use of a tyre management formula in a full supply/service package. In addition to statistical capture and analysis, in-service conditions must be constantly monitored.

TYRE CORP FINANCIAL SUMMARY

FINANCIAL SUMMARY

	Audited financial data , ZAR millions			Currency translation, USD millions	
	2015	2014	Change	2015	2014
Current assets	257.9	177.2	45.5%	19.5	13.4
Non-current assets	80.0	81.0	-1.2%	6.0	6.1
Total assets	338.0	258.3	30.9%	25.5	19.5
Current liabilities	227.6	178.4	27.6%	17.2	13.5
Non-current liabilities	49.2	25.8	90.8%	3.7	1.9
Total Liabilities	276.9	204.2	35.6%	20.9	15.4
Total equity	61.1	54.0	13.1%	4.6	4.1
Working capital [1]	100.0	62.7	59.5%	7.5	4.7
Revenue	759.4	781.4	-2.8%	57.3	59.0
Cash from operations	-27.1	1.2	NM	-2.0	0.1
Cash from investing	-8.2	-7.5	8.6%	-0.6	-0.6
Cash from financing	28.5	-6.1	NM	2.2	-0.5
EBITDA [2]	21.5	26.3	-18.0%	1.6	2.0
Quick liquidity ratio [3]	96.3%	77.4%	18.9%	96.3%	77.4%
Net long term borrowings / total equity [4]	65.5%	7.6%	57.9%	65.5%	7.6%
Net long term borrowings / EBITDA	1.86	0.16	1.70	1.86	0.16
EBITDA Margin [5]	2.8%	3.4%	-0.5%	2.8%	3.4%

Notes and definitions

1. Accounts receivable + inventory - accounts payable

2. Net income + finance costs + income tax + depreciation – rental income - profit on PPE disposal

3. [Cash + marketable securities + accounts receivable] / current liabilities

4. Shareholder loans and loans from related parties are excluded

5. EBITDA / revenue

Currency translation at 1 USD = 13.25 ZAR, provided for reference only

DID YOU KNOW

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

SOVENTIX WILL INSTALL AND MAINTAIN THE SYSTEM

SOVENTIX IN SOUTH AFRICA

South Africa: Oldenberg Vineyards
44.65 kWp

Soventix South Africa (Pty) Ltd., a subsidiary of Soventix GmbH, deals in the development and realisation of solar photovoltaic plants. As a player in the global solar market, with offices in South Africa, Canada, USA, UK, Romania, Chile and the Dominican Republic, Soventix has realised more than 4,000 projects worldwide.

Soventix has become a leader in PV system integration in South Africa, with strong results in the commercial and industrial rooftop market. Under the Department of Energy's Renewable Energy Independent Power Producer Procurement Program, Soventix South Africa has developed two 75MW solar plants in the Western Cape, and is developing several others.

With excellent experience in the solar industry, Soventix offers a variety of services from project development to financing, project deployment, operation and maintenance. Soventix is increasingly active in Individual Power Production and develops innovative business models for Power Purchase Agreements.

Thorsten Preugschas
Chief Executive Officer

soventix
Powerful Returns

SOVENTIX WILL INSTALL AND MAINTAIN THE SYSTEM

SOVENTIX'S CORE COMPETENCIES

Soventix GmbH with its headquarter in Germany and subsidiaries in UK, Chile, South Africa, Canada, USA and Dominican Republic develops, plans, constructs and manages solar power plants worldwide.

Its expertise in the solar industry and the support of internationally recognized premium manufacturers enables Soventix to realize high-performing photovoltaic power plants and to provide a variety of services including planning and development, financing and management, as well as service and operation.

- Efficiently develop sustainable high-quality projects
- Navigate and coordinate the full value-chain with best-in-class partners & subs

SOVENTIX IN SOUTH AFRICA

Why South Africa?

- South Africa is sunny
- Certain municipalities are allowing net metering

Opportunities

- South Africa is in desperate need of alternative energy supplies due to huge demands and growing economy
- Eskom (South Africa's power utility) is under huge pressure and requires much private sector participation
- Neighbouring countries to South Africa largely depend on Eskom, so further opportunities lie in these countries ie. Namibia, Botswana, Zambia and Zimbabwe
- Large tariff increases are solidifying the need for an alternative source of energy

http://www.soventix.co.za/

THE SUN EXCHANGE

The Sun Exchange
is an online marketplace where anyone can buy solar cells and lease them in technically and economically validated commercial solar projects

Owner (Lessor) clients value our variety of globally distributed solar energy **projects to** obtain an ethical clean energy rental stream

Commercial and enterprise (Lessee) clients value the access to solar energy that reduces their operating expenses, stablises their power supply, **lowers their carbon emissions** and promotes stakeholder engagement in their community

theSunExchange

www.thesunexchange.com

The Sun Exchange originates commercial solar energy projects → Money from our sale of solar cells covers system installation and other costs. The electricity Consumer rents the system → Lease rental is collected and paid on at least a monthly basis

PROVIDING SUPERIOR SERVICE VIA TECHNOLOGY

BLOCKCHAIN SMART CONTRACTS

The Sun Exchange is promoting the representation of solar cells onto commercial contracts in computer code on the blockchain. Shared by a decentralized network of computers, these contracts are transparent, permanent and resistant to "hacking". Smart contracts automatically execute objectively. For example, smart contracts could automatically debit the Lessee's account and transfer funds to lessors for each 1 kWh generated at a system without human intervention. This would reduce operational risks and errors over long-term solar projects.

Distributed ledgers

Financial and operational data recorded on a public blockchain would be secure, stable, transparent, and tamper-proof. The Sun Exchange wants to ensure our account holders avoid the type of personal identify theft and data falsification we frequently see in the financial world today

Smart-metering

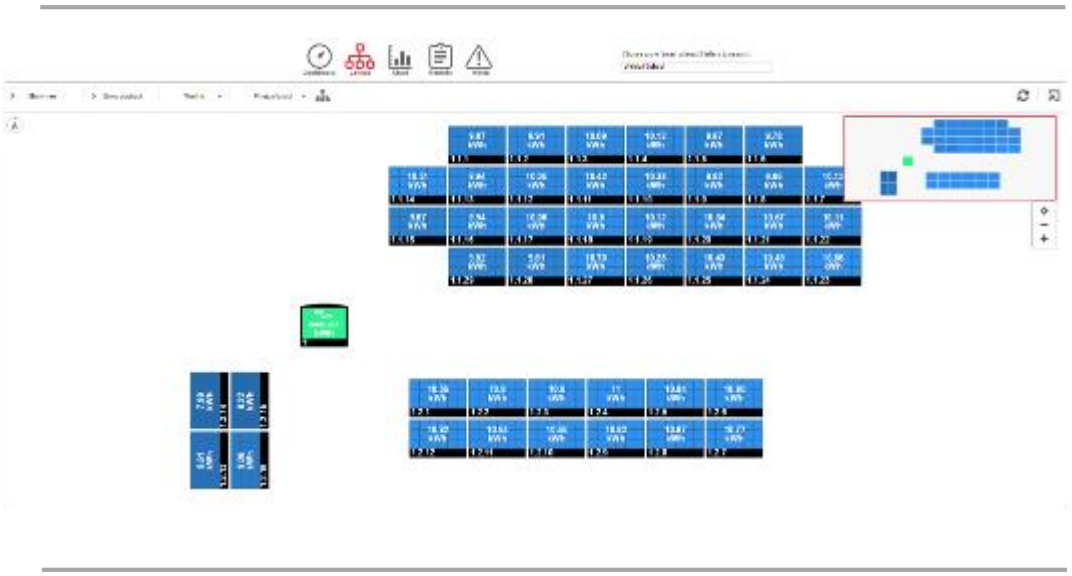
IoT data-loggers embedded in each solar plant measure electrical output and could govern the distribution of funds as each unit of electricity is generated. As a result, lessors could receive rental payments that follow the timing of electricity production, rather the timing of corporate events or the calendar. Real-time rental distribution increases trust and confidence levels for our solar cell lessors. It can create a sense of interactivity between you and your solar cells, which could be on the other side of the world. If the electricity Consumer cannot make his payments, the system could be automatically disconnected until payments resume.

Digital currency fund transfers

Digital currency has removed the friction and costs normally associated with international remittance. The efficiencies of bitcoin allow us to make micro-payments in near-real time at low cost. This means that as long as the sun is shining, you can see your money working.

Transferring local (fiat) currency between countries is often expensive and time consuming. We accept bitcoin so that you can purchase solar project assets wherever you are in the world quickly, easily, and transparently.

PROVIDING SUPERIOR SERVICE VIA TECHNOLOGY



You needn't wait for quarterly reports or press releases to know how your solar cells are performing. Your The Sun Exchange dashboard allows you to view real-time performance data and track rental income generation.

DOING GOOD IS GOOD FOR BUSINESS

OUR VISION | A beautifully interconnected world, powered by clean energy, enabled by distributed capital.

OUR MISSION | To enable anyone to earn income from the infrastructure they want to see in the world.

SAFETY FIRST | We arrange independent financial and engineering checks. We look at counterparties' safety track records. In future we aim to have contracts and data stored on a tamper-proof, globally distributed block-chain

SKIN IN THE GAME | We are involved. We own the balance of system (mounting structure, cabling and inverter equipment) and directly lease the system to the energy Consumer

RESPONSIBILITY | We discourage criminal and terrorist purchase of solar cells by checking identities via third party service providers.

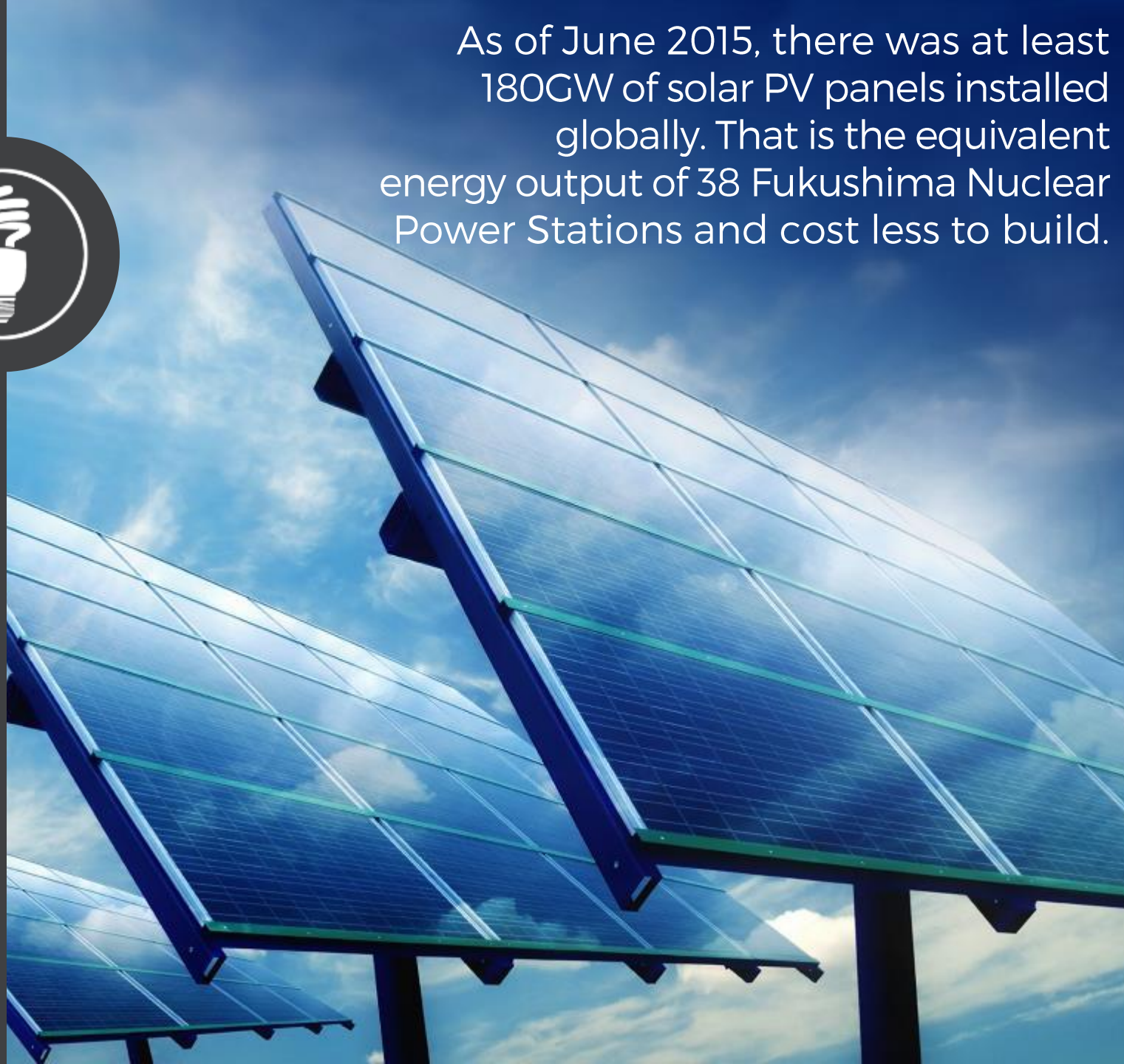
WHAT WE DO

Originate new solar project opportunities
Assess project viability with thorough industry standard due diligence processes.
Vet engineering (EPC) providers
Engage local operation and maintenance providers
Monitor Lessee account pre-payments
Structure the lease and other contracts
Arrange for equipment insurance coverage
Provide and lease Balance of System equipment
Design, plan, execute online crowd sales
Establish accounts to segregate funds
Arrange foreign currency / digital currency transactions
Monitor adherence to compliance regulations
Arrange international payments and money transfers
Outsource identity, KYC, AML checks
Collect, disclose project operational and financial data
Monitor equipment performance using solar smart meters
Arrange distribution of lease rentals
Maintain project books and records

Remuneration

- 10% dealer mark-up on project value
- 2.5% servicing fee from rental payments.
- Ownership of plant balance equipment, operational and financial data, renewable energy credits

DID YOU KNOW



As of June 2015, there was at least 180GW of solar PV panels installed globally. That is the equivalent energy output of 38 Fukushima Nuclear Power Stations and cost less to build.

ABOUT 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 as with Solar CSP).

The amount of electricity that can be generated in a year at any given site will depend on a number of factors, including among others:

- The annual amount of solar irradiation the site receives. This will depend on where in the location of the site, 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. 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 (pictured below).

ABOUT 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 Canadian Solar or equivalent product of equal or better type and quality) all estimate performance to be at least 80% after 25 years.
- The energy conversion efficiency from direct current electricity into alternating current electricity of the inverters used.
- To estimate the amount of electricity generated we PVSyst for simulating photo-voltaic system performance. We import the irradiation data through an 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. We compare these figures with those from the EPC partner to ensure the system yield forecast is accurate.

ABOUT THE SOLAR PV PLANT

EQUIPMENT

Solar PV System	45 kWp DC Roof Mount PV System
Solar Panel Type	Crystalline Silicon
Manufacturer	Canadian Solar
Standard Compliance	IEC-62103 (EN50178), IEC-62109, AS3100
Installation Standard	To meet NRS097 and SANS10142 codes.
Mounting system:	Fixed mounting, free standing 2 angles
Azimuth/inclinations	21° (north east)
Inverter Euro eff.	97.5%
DC/AC losses	5.5% / 1.5%
Availability	99.0%

SOLAR YIELD

Est. Annual Generation	69,483 kWh
Probability Factor	90%
Avg. R/kWh	1.80
Avg. Daily kWh	190.36 kWh
Daily Income per cell	0.02c

Principal system components

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

Smart Meter Monitoring

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

SITE

Site Name	Alberton, South Africa
Site Location Coordinates	26° 19' 1.37" S, 28° 07' 46.77" E
Elevation a.s.l.	1571 m
Slope inclination	1°
Slope azimuth	85° east
Annual global in-plane irradiation	2312 kWh/m^2
Annual air temperature at 2 m	16.0 °C
System usage	71%

SYSTEM LEASE RENTAL ADJUSTMENTS

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

Initial per kWh charge	Adjustment Basis	Adjustment Frequency	Adjustment Base Month
R 1,85	Rental will escalate annually at the lower of: • the annual percentage price increase applied by Eskom, or • the percentage which is 1% plus the annual increase in the consumer price index for the 12 month period in question, as published by StatsSA at http://www.statssa.gov.za/?page_id=1871.	Annual	To coincide with annual anniversary of the COD.

SOLAR ENERGY CONSUMPTION CALCULATIONS

SYSTEM PRODUCTION AND USAGE CALCULATIONS

The Tyre Corporation facility electrical usage is a 5 day a week working operation and therefore will have restricted production at weekends. The lease rental payment calculations have been based on the restricted production values below.

Month	GHI (kWh/m2)	GI (kWh/m2)	Full production (MWh)	Restricted production (MWh)	Fraction
1	201.9	194.7	6.8	4.7	69.7%
2	175.8	174.1	6.1	4.4	72.5%
3	173.0	181.8	6.4	4.2	66.2%
4	147.0	162.6	5.7	4.1	71.8%
5	135.0	162.8	5.6	4.4	77.4%
6	120.9	148.5	5.2	3.4	65.9%
7	134.0	162.4	5.7	4.4	76.3%
8	159.0	183.7	6.4	4.6	71.7%
9	183.0	195.8	6.8	4.9	71.9%
10	199.8	202.7	7.0	5.3	76.2%
11	194.9	187.0	6.6	4.5	68.1%
12	212.9	203.6	7.1	4.7	66.3%
Total	2037.3	2159.6	75.4	53.6	71.2%

ENVIRONMENTAL IMPACT

Over 20 years, the solar plant at Tyre Corp is expected to produce 1,388,696 kWh of electric power. This energy output is equivalent to:

27433 Trees Planted

A Light-bulb powered for over two and half thousand years

In South Africa, on average, electricity sources emit 2.16 lbs (about 0.98 kg) CO_2 per kWh, almost double that of the United States.

By this measure, the Tyre Corp plant will save 1,360,922 kg of CO_2 emissions over 20 years.

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

BONUS INCOME STREAM - SOLAR COIN

Solar Coins are like 'air-miles' for people that own solar panels. In addition to earning BTC or ZAR rental income from solar cells you buy through The Sun Exchange, you will also receive Solar Coin tokens. You will receive one Solar Coin for each MWh generated by your solar cells.

For each solar cell you purchase you will receive 0.14 Solar Coins in addition to our rental income payments.

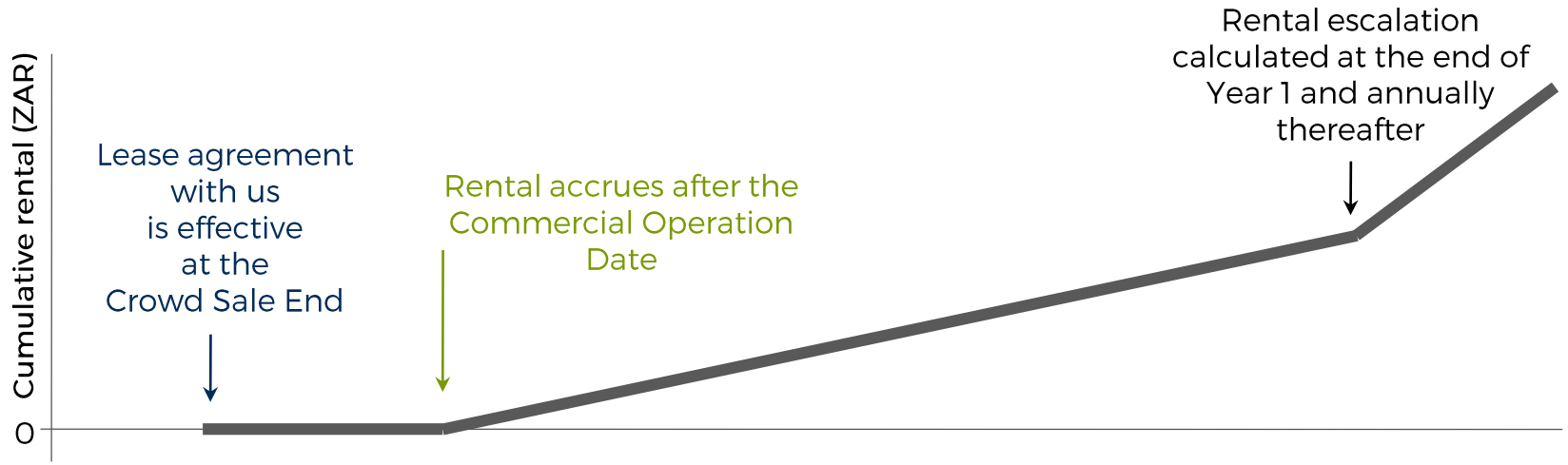
Solar Coins are a valuable digital currency. You can sell them, trade them or you can even spend them on more solar cells through The Sun Exchange! The value of Solar Coins is variable. At time of writing each Solar Coin is worth approximately USD $0.07. You can check the value of Solar Coin (SLR) here.

LEASE AGREEMENT: INITIAL PHASE

RENTAL STARTS WHEN THE SYSTEM IS CONSTRUCTED

Crowd Sale End → **Construction Complete** → **End of Year 1**

"Commercial Operation Date"



There is zero rental before the Commercial Operation Date

Construction period estimate

Design	Construction	Total
1 - 2 weeks	5-6 weeks	6 - 8 weeks

SAMPLE SCENARIOS

ACTUAL RENTAL RATE DEPENDS ON CPI AND ESKOM ENERGY PRICE OVER TIME

Estimated impact of CPI, ESKOM, and ZAR exchange rate on rental denominated in foreign currency, over 20-year term

IMPACT OF CPI ESCALATION AND ZAR CURRENCY VALUE CHANGES

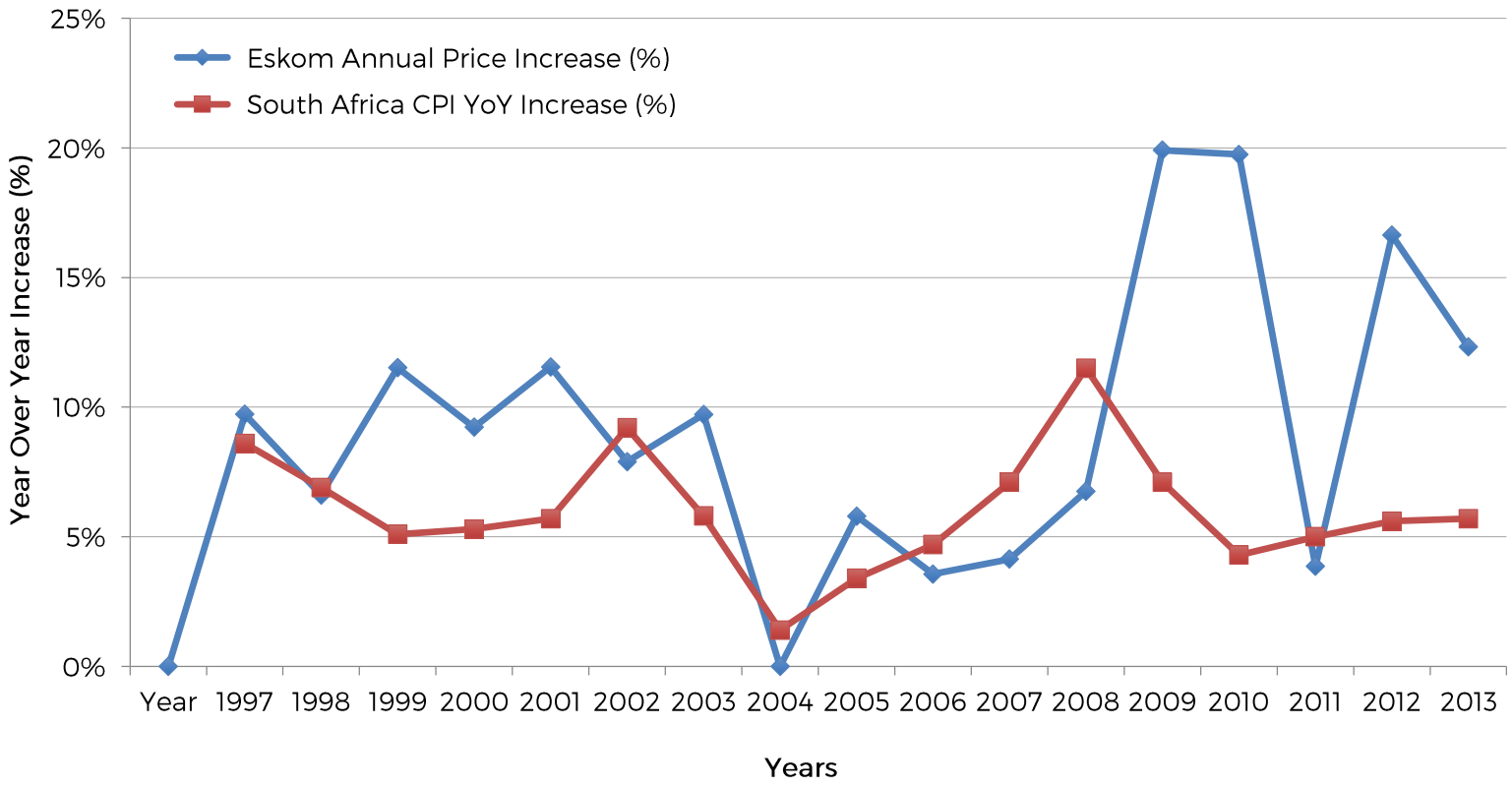
ZAR CURRENCY RATE CHANGE (%), COMPOUNDED ANNUALLY OVER PROJECT LIFE

ANNUAL CPI ESCALATION (%) COMPOUNDED OVER PROJECT LIFE	1.50	1.00	0.50	0.00	-0.50	-1.00	-1.50	Annual change (%)
4.25	6.6%	7.4%	8.1%	8.7%	9.3%	9.9%	10.4%	
4.50	6.8%	7.6%	8.3%	8.9%	9.5%	10.1%	10.7%	
4.75	7.1%	7.9%	8.6%	9.2%	9.7%	10.3%	10.9%	
5.00	7.3%	8.1%	8.8%	9.4%	10.0%	10.5%	11.1%	
5.25	7.5%	8.3%	9.0%	9.6%	10.2%	10.8%	11.3%	
5.50	7.7%	8.5%	9.2%	9.8%	10.4%	11.0%	11.5%	
5.75	7.8%	8.6%	9.3%	10.0%	10.5%	11.1%	11.7%	
6.00	7.9%	8.7%	9.4%	10.0%	10.6%	11.2%	11.7%	
6.25	7.9%	8.7%	9.4%	10.0%	10.6%	11.2%	11.7%	
6.50	7.9%	8.7%	9.4%	10.0%	10.6%	11.2%	11.7%	

The above analysis takes into account a schedule of maximum rental per month, as will be detailed in the lease agreement with The Sun Exchange
The actual rental rate achieved depends on a variety of factors not limited to those presented here

SAMPLE SCENARIOS

HISTORICAL SOUTH AFRICA ELECTRICITY PRICE AND CPI



TAXATION

YOU MAY BE ELIGIBLE FOR TAX BENEFITS

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

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

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

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

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

COLLECTIONS

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

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

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

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

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

INFORMATION ACCESS

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

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

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

DID YOU KNOW

The largest solar power plant in the world is the Long Longyangxia Dam Solar Park in China which has an output of 850 MWp and covers 23 km^2.

SOLAR CELLS SUMMARY TERMS

Product offered:	Solar cells. Each solar cell is one crystalline silicon cell, with unique identifier, with the technical specifications described in this product information document
Unit Price:	ZAR 105.00 per solar cell
Payment Currencies:	South Africa Rand (ZAR) and Bitcoin (BTC)
Sale Period:	Beginning 19 December 2016 and ending when total purchases reach the Target Cells Amount, or after 60 days, which ever is sooner
Sale Period Extension:	The Sun Exchange reserves the right to extend the sale period up to an additional 60 days
Pro-User Bonus:	Payable to The Sun Exchange (SunEx) supporters that backed our Indiegogo Campaign. Bonus payments and others available
Payment Accounts:	ZAR trust account at MacGregor Stanford Kruger Inc., and digital wallet at Luno, as indicated on www.thesunexchange.com
Target Cells Amount:	10,380 solar cells. If fewer are sold, SunEx will cancel the sale, and return money in the payment currencies. SunEx may reduce the Target Cells Amount at its discretion

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

SOLAR CELLS SUMMARY TERMS

Bitcoin Payment

Account holders purchasing in Bitcoin outside South Africa will secure the number of cells afforded by the value of BTC at the time the sale ends. Any BTC excess payments will be returned to the account holder in full.

Allocation Method:

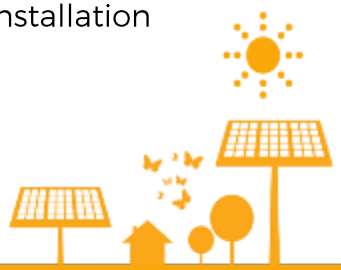
First come first served, with consideration for the number of cells to be deployed into the system, as monitored by SunEx

Purchase Method:

Users that have successfully completed the sign-up process for a SunEx account on www.thesunexchange.com may review solar cell purchase and lease terms and at the time of ordering cells may choose either to take physical possession of solar cells or lease cells within the solar system.

The Sun Exchange Remuneration:

1. Dealer Markup, which is 10.0% of the system cost including installation
2. Grant of certain related balance of system equipment



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

OWNER LEASE SUMMARY TERMS

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

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

OWNER LEASE SUMMARY TERMS

EPC	Soventix South Africa (Pty) Ltd. (Soventix) will provide engineering, procurement and construction services to SunEx for the system
O&M	Soventix South Africa (Pty) Ltd. will provide system operations and maintenance services to SunEx
The Sun Exchange Lease-Related Fees:	1. Service Fees of 2.5% of each lease rental payment by Tyre Corp, under the SunEx lease of the system 2. All renewable energy credits generated by the system
SunEx Rental:	In the Owner Lease, for each calculation period, SunEx will pay SunEx Rental in ZAR calculated as the Available Balance minus the Project Expenses due. The Available Balance is the Base Rental amount (based on the EEP and subject to a maximum amount per period, as stated in the Owner Lease) or the balance in Tyre Corp's rental account, whichever is smaller. Lessors without ZAR accounts will receive amounts converted and paid in BTC
Rental Payment Frequency:	SunEx Rental is due at least monthly, but may be paid more frequently at SunEx's option
Output:	Electricity (DC) generated by the rooftop PV generation plant (the Project) measured in kWh

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

OWNER LEASE SUMMARY TERMS

EEP Adjustment Basis:

Rental will escalate annually at the lower of:

- the annual percentage price increase applied by Eskom, and
- the percentage which is 1% plus the annual increase in the Consumer Price Index for the 12 month period in question, as published by StatsSA at http://www.statssa.gov.za/?page_id=1871.

Commercial Operation Date (COD):

The date on which the EPC partner signs the electrical completion certificate (CoC) confirming the system has been installed and is operational

The Contracts:

Each solar cell deployed in the system will be subject to the terms of the Owner Lease and SunEx's Terms of Service, which may be amended from time to time. By making a order to purchase through SunEx's website and electing to deploy cells into the system at that time, each account holder signifies his agreement with those terms, and will be deemed a signatory to the Owner Lease at the end of the sale period as determined by The Sun Exchange in its sole and absolute discretion

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

GLOSSARY

The Sun Exchange's Mission is to enable individuals to build the infrastructure they want to see in the world.

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

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

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

Unit Price
The cost of one solar cell, which is ZAR 105.00

Project Lease Agreement
An agreement between The Sun Exchange and Tyre Corp establishing the duration, pricing, and other terms of lease of the Solar cells and Solar Equipment.

Solar cell Owners Lease Agreement
An agreement between The Sun Exchange and Owners establishing the lease of the solar cells to The Sun Exchange

SolarCoin
SolarCoin is the world's largest community solar electricity reward program worth over $9 billion USD*.
SolarCoin represents 1 MWh of solar electricity generation.
As a verified a solar cell owner you may be entitled to SolarCoins for free. SolarCoins are managed by the SolarCoin Foundation. Sunex is not affiliated with and does not guarantee any obligations of the SolarCoin Foundation."

Sources: Wikipedia, Investopedia

GLOSSARY

Solar cells Lease Rental
The amount paid to each lessor by The Sun Exchange. Lease Rental will effectively be paid to you in return for allowing usage of the solar cells. The Lease Rental is calculated as Energy Output measured in kWh x Per kWh Price, less expenses, taxes, fees, and deposits to reserves

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

Equivalent Energy Price
The price at which Tyre Corp must purchase electricity generated by the system. The price in the initial year is ZAR 1.80 / kWh; thereafter the price is adjusted annually by the lesser of (a) 1% plus South Africa 12-month CPI, and (b) the South African national utility (Eskom) annual percentage price increase.

Solar Energy Consumption
The amount of kilowatts (kWh) used by Tyre Corp from the solar system during a given period

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.

Pro-User Bonus
Bonuses being paid by The Sun Exchange to all account holders in this offer that contributed to our Indiegogo 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#/

Sources: Wikipedia, Investopedia

GLOSSARY

Sale End
Once valid orders sufficient to purchase 10,834 Solar cells have been received, we estimate that within 20 days all of the conditions precedent will be satisfied and we will be ready to sign all the documents, and the system construction can officially begin.

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

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

USD
United States Dollars

CNY
Chinese Yuan (Renminbi)

BTC
Bitcoin

EUR
Euro currency

GBP
Great British Pounds

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

Balance equipment
All of the equipment in the solar system excluding the solar modules.

ZAR
South Africa Rand currency

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

Sources: Wikipedia, Investopedia

GLOSSARY

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

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

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

Sources: Wikipedia, Investopedia

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

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

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

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

Market Place
A service provided by The Sun Exchange on its website to allow potential buyers and sellers of solar cells to find each other.

DID YOU KNOW

Leonardo Da Vinci designed a solar energy system in the 16th century in the form of a concentrated sunlight beam weapon

RISK FACTORS

We cannot set out all the risks that may be involved by purchasing and leasing solar cells. You should consider whether making this purchase is suitable for you in the light of your own personal circumstances and take advice as necessary. The following are some of the risks that may be involved

THINGS YOU NEED TO KNOW ABOUT PURCHASING SOLAR CELLS

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

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

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

RISK FACTORS

Tyre Corp insolvency or restructuring risk

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

General contractual risks

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

Withholding taxes

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

RISK FACTORS

Government policy

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

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

Currency risk

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

RISK FACTORS

Insurance risk

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

Solar irradiation

We have based the estimated output of the solar plant on a PVSyst simulation with a high level of certainty. We have used a solar energy production assessment with a 90% probability factor.

The level of inflation

To calculate your potential rental, we have assumed a CPI of 6% over the Lease term. However, the amount of inflation or the price increases implemented by Eskom may be lower than our estimates in which case lease rental and the lease rate will be lower than forecast.

Arbitration

SUNEX may require that any claims against it be resolved through binding arbitration rather than in the courts. The arbitration process may be less favorable to lessors than court proceedings and may limit your right to engage in discovery proceedings or to appeal an adverse decision.

RISK FACTORS

Operational issues

Pre and post-operational issues relating to the quality of installations could result in the loss of solar yield and therefore rental amounts.

The design agreement with the EPC provides for an audit upon completion. In the event that there are any installation or operational issues with the PV systems, the installer will pursue the relevant party on The Sun Exchange's behalf, if relevant. If there is an issue with any of the equipment, the installer will ensure the relevant manufacturer is pursued under the terms of the warranties if it makes commercial sense to do so. Although they may use equipment made by different manufacturers, it will be of similar type and quality. The terms of the lease contain key rights including access rights, maintenance obligations and our rights to revenue and the ability to remove the system equipment upon lease termination.

Adverse economic conditions

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

Service disruption

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

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

Loss of books and records

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

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

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

Limitation on individual claims

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

Reliance on product and service providers in the solar industry

Volatility in the business environment for providers of products and services related to solar power could adversely affect the ability of SunEx and the OM to service the solar plant.

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

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

Regulation of the Internet, block-chains, and digital currencies

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

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

Committed funds

When you commit to purchase a solar cell, you must commit funds toward your purchase prior to Sale End. The offering of Tyre Corp solar cells will remain open a maximum of 120 days. Commitments to purchase solar cells are irrevocable during the period between the time of your purchase commitment and the time when your allocation of solar cells is sold to you, you will not have access to your funds. Because your funds do not accrue interest while held in the bank account or wallet, the delay in sale of solar cells will have the effect of reducing the effective lease rental rate.

Regulation of SunEx

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

Furthermore, as an e-commerce platform we believe we are not an investment company, broker-dealer, bank, or other regulated financial institution.

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

We are not subject to the electrical utility or banking regulations of any state or national regulatory agency.

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

No appointed agent

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

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

Installation delays

For a solar project if this type, the risk of installation delays is very low. We believe we have allowed plenty of time to complete the installation of the PV systems so that it is possible to pay Lease Rental at the end of the first month following the crowd-sale ends. It is possible that Tyre Corp experiences significant issues or delays that could hamper payment of project lease rental to The Sun Exchange which would impact the amount of lease rental you receive under the Owner Lease, although in all such circumstances the lease period will only begin once the solar plant has been commissioned and is fully operational.

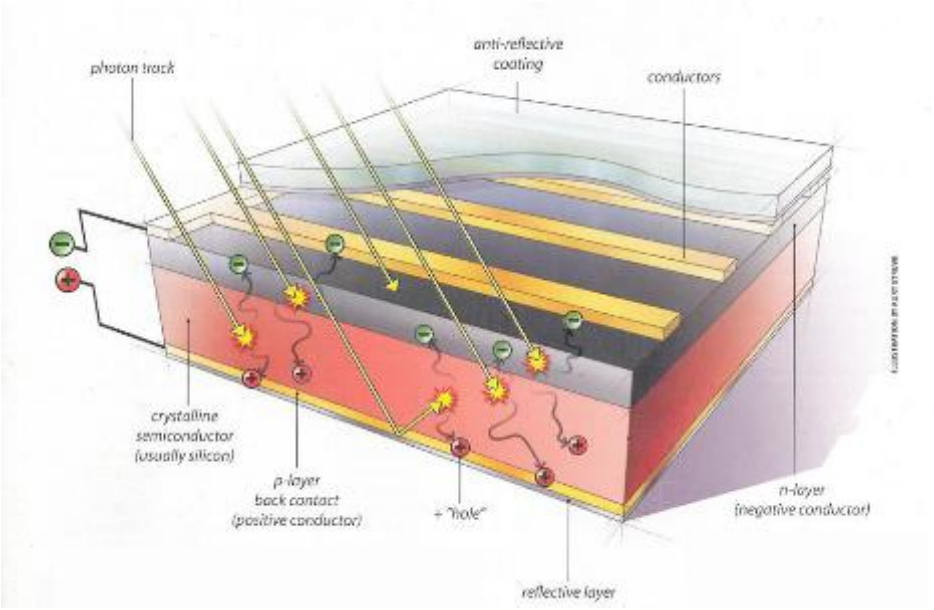
DID YOU KNOW

70 thousand billion watts of photons from the sun are hitting Earth at every moment

APPENDIX: HOW SOLAR CELLS WORK

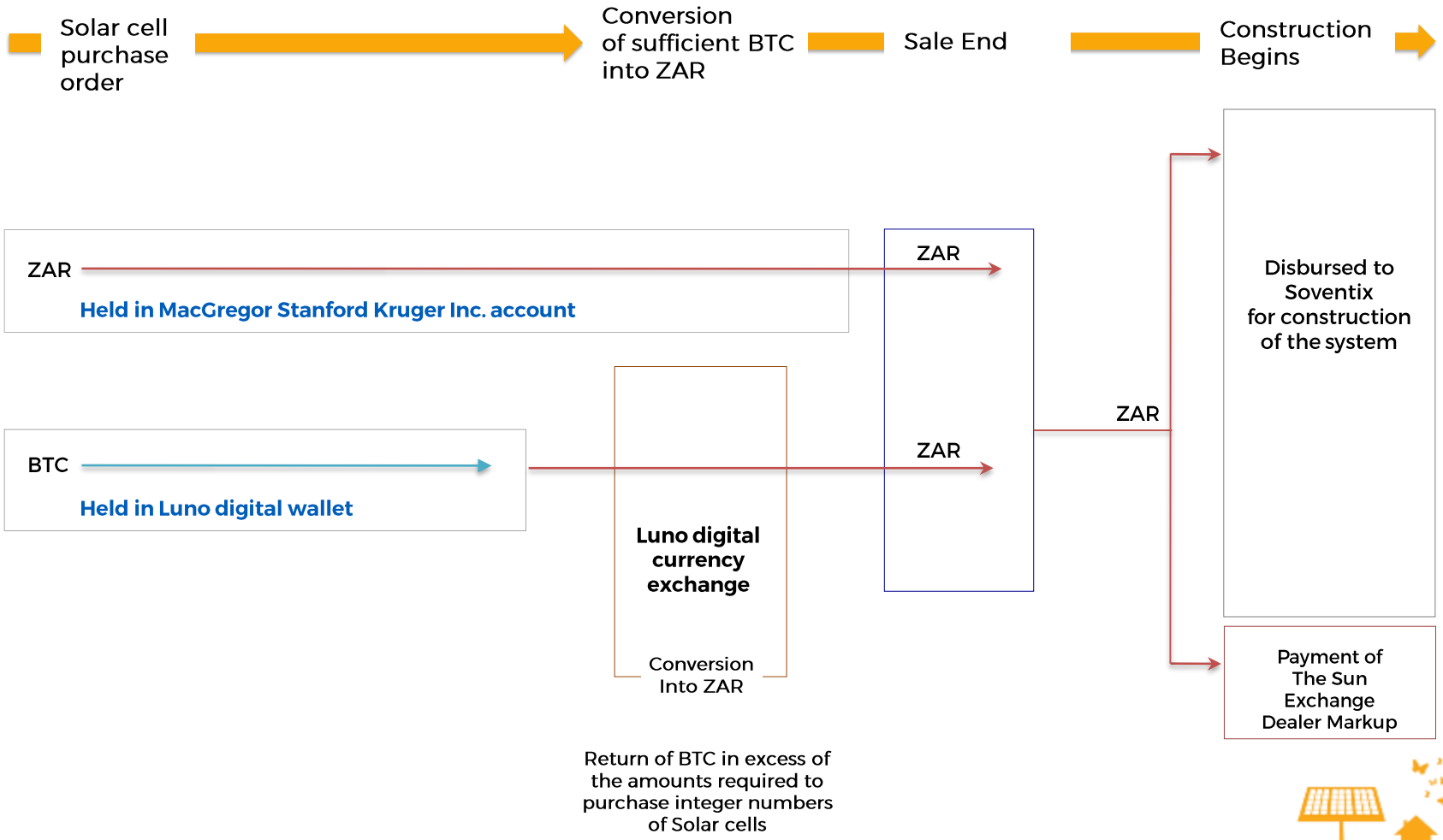
How does PV technology work?
Photons strike and ionize semiconductor material on the solar panel, causing outer electrons to break free of their atomic bonds. Due to the semiconductor structure, the electrons are forced in one direction creating a flow of electrical current. Solar cells are not 100% efficient in a typical crystalline silicon solar cell in part because some of the light spectrum is reflected, some is too weak to create electricity (infrared) and some (ultraviolet) creates heat energy instead of electricity.

In a typical crystalline silicon solar cell, wafers of high-purity silicon are "doped" with various impurities and fused together. The resulting structure creates a pathway for electrical current within and between the solar cells.



Source: Solar Energy Industries Association. http://www.seia.org/policy/solar-technology/photovoltaic-solar-electric

APPENDIX: ZAR & BTC PAYMENT FLOW



SOLAR EQUIPMENT DATA SHEETS AND OWNER LEASE AGREEMENT TERMS

AVAILABLE UPON REQUEST

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Legal Disclaimer

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

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

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

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

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

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