

SOLAR POWER AGREEMENT PRODUCT DISCLOSURE STATEMENT

About Distributed Power Generation Limited (Disgen)

*Distributed Power Generation Limited (**Disgen**) is an energy and finance company in the business of generating and distributing electricity from solar photovoltaic systems (**Solar Electricity**).*

*The proposed solar power system (**SPS**) which generates Solar Electricity at your premises will be owned by Disgen and will be installed at your premises under an access licence with the owner of the premises (**Licence**).*

*Disgen will operate and maintain the SPS under the terms of a solar power agreement (**SPA**).*

Disgen has determined that you have a demand for the supply of electricity, which will be met in part by the SPS and the generated Solar Electricity, and otherwise by the electricity retailer which you have contracted to meet your power requirements.

The simple summary of the SPA is that you, as the 'purchaser', agree to buy from Disgen a supply of Solar Electricity generated at the premises in such quantities as are generated by the SPS in return for the payment of monthly Solar Electricity charges for that service for the term of the SPA.

About this Product Disclosure Statement

*This document is a Product Disclosure Statement (**PDS**). The PDS is designed to assist you in making an informed choice about your power needs and your decision to enter into a SPA with Disgen.*

The PDS contains information about the nature of solar power generation as an alternative power supply, the length of the contract and termination rights and obligations, applicable fees and charges, billing, meter accuracy, per unit rate to be paid for the generated electricity, the estimated SPS generation output, dispute resolution processes, maintenance and repair responsibilities and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to the SPA. Please read this document carefully.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS, a supplementary PDS document may be provided. In any event, the relevant documents will be provided to you with the PDS so that an informed decision can be made regarding your decision to enter into an SPA.

Legal implications of the SPA

The SPA terms and conditions and any Schedule and Annexure form the legal contract between you and Disgen. You pay us the monthly Solar Electricity charges, and we provide the SPS and connect the SPS to the relevant Connection Point. Please keep the SPA and related documents in a safe place for future reference.

Disgen will engage with you regarding meeting your needs for Solar Electricity and will present two forms of contracting arrangement which are intended to represent stages in the contracting process. Disgen will firstly provide you with a Terms Sheet which sets out the essential terms under which the 'purchaser' intends to contract and allows Disgen to investigate the premises suitability for taking a supply of Solar Electricity generated at the premises. The Terms Sheet also represents a binding contract regarding the relevant supply of Solar Electricity.

The Terms Sheet provides that parties intend is to enter into a fully termed SPA that will be consistent with the Terms Sheet and contain such additional terms as would be expected to be found in similar legal documentation. The fully termed SPA explains the parties' rights and obligations and accordingly provides certainty regarding the nature and extent of the commitment. If however a fully termed SPA is not executed, then the Terms Sheet document is legally binding and you and Disgen will continue to perform the obligations set out in that document.



Distributed Generation

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Key Concepts and Conditions	
Solar Power Purchase	<p><i>Disgen wishes to highlight that the business model relating to the supply and sale of Solar Electricity under an SPA is an alternative service and the electricity generated by the SPS is not the primary source of electricity supply that you have contracted to take from your electricity retailer.</i></p> <p><i>The supply and sale of Solar Electricity under a SPA is separate to your supply contract with your electricity retailer.</i></p> <p><i>Disgen is responsible for obtaining certain consents from your electricity retailer, and the owner of the interconnected power generation system utilised by your electricity retailer, to be permitted to connect the SPS at the premises.</i></p> <p><i>Disgen is not licensed, and is not bound by the obligations under the Electricity Industry Act 2004 or its subsidiary legislation relevant to licensees, including the obligation to be a member of the Electricity Ombudsman Scheme.</i></p> <p><i>As a contract, and subject to lawful exclusions, the SPA is covered by the Australian Consumer Law, which means the Schedule 2 to the Competition and Consumer Act 2010 (Cth.) as applied as a law of the Commonwealth under section 131 of that Act and the Australian Consumer Law (WA) as defined in and applied as a law of Western Australia under section 19 of the Fair Trading Act 2010 (WA).</i></p>
Purchaser Connection Point	<p><i>The purchaser's connection point is the unique point at which electricity is delivered to your premises and at which the SPS will also be connected.</i></p>
Supply Term	<p><i>The contract term of the SPA is 10 years. The purchaser's options at the end of the Supply Term, subject to the renewal of the Licence and compliance with the SPA terms, would be to either cease taking Solar Electricity from Disgen or to extend the SPA for a further term on similar terms and conditions.</i></p>
SPS Capacity	<p><i>The generation capacity of the SPS proposed for your premises is 37.12 kW system with a total 30 kW inverter capacity.</i></p>
SPA Rate (\$/kWh)	<p><i>The SPA Rate is Utility Price minus 35% (\$/kWh), which applies for the Supply Term of the SPA, subject to annual CPI escalation.</i></p>
Electricity retailer	<p><i>Synergy</i></p>
Approvals fees and charges	<p><i>Disgen shall obtain, at its cost any authorisations required to construct, install and operate the SPS and any approvals required for connection of the SPS at the premises. If your electricity retailer passes on a charge under your existing contract because of your choice to take up Disgen's SPA offer, Disgen will meet your additional cost burden during the term of that contract with your electricity retailer.</i></p> <p><i>Other than the purchaser's obligations to pay monthly Solar Electricity charges and any payment arising from early termination of the SPA (referred to below), Disgen does not intend to pass on any fees and charges.</i></p> <p><i>Disgen reserves the right however, in the event of a 'cost event' occurring to vary charges because of imposts which were unforeseen at the time of entering into the SPA (e.g.</i></p>

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	<i>changes in any law or a charge imposed on Disgen after the date of the SPA regarding the sale of Solar Electricity or the generation of electricity from renewable energy sources).</i>
Ownership of SPS	<i>Disgen supplies the SPS upon the purchaser's acknowledgement that the SPS is owned and is personal property of Disgen. The SPS is located temporarily at the premises under the Licence terms and Disgen has the right to recover possession of the SPS. Disgen's right of recovery is subject to the continuing operation of the SPA and necessarily the purchaser's compliance with the SPA.</i>
Repair and maintenance	<i>Disgen must perform all routine and emergency repairs to, and maintenance of, the SPS at its cost and expense, except for that resulting from the purchaser's negligence or breach of the SPA.</i>
Quantities and consumption	<p><i>During the Supply Term, the Purchaser agrees to purchase the total amount of Solar Electricity generated by the SPS, capable of being delivered to the Connection Point, which is estimated to be 53,229 kWh per year for 12 months and represents an estimated cost of \$10,600 for a 12 month period. Representing approximately 30% of your total power use.</i></p> <p><i>The Solar Electricity must be consumed by the purchaser in priority to purchaser's additional needs for electricity supply provided by its electricity retailer.</i></p> <p><i>Disgen highlights to the purchaser that the Solar Electricity generated by the SPS may fluctuate and therefore Disgen does not guarantee that the SPS will always meet its specifications.</i></p>
Metering and Purchaser data monitoring	<i>Disgen shall own and operate the metering system used to acquire consumption quantities from which Solar Electricity charges are calculated. Disgen shall remotely monitor the metering system. Disgen uses a Schneider iEM 3155 type of meter to measure the generation output of the SPS and which is a class one meter having a tolerance of less than 1% .</i>
Monthly charges	<i>The Purchaser must pay Disgen monthly, 14 days from the date of a valid tax invoice, for Solar Electricity generated by the SPS and delivered to the Connection Point at the SPA Rate (plus GST). The SPA Rate is subject to annual CPI indexation of the SPA Rate at the commencement date of the SPA. Accordingly, the SPA Rate is fixed for the term of the SPA, but subject to CPI indexation annually.</i>
Carbon Schemes	<i>The purchaser agrees that the any carbon credits, or related taxation benefits which arise from the ownership and operation of the SPS belong to Disgen (e.g. STCs, credits, benefits, emissions reductions, offsets, and allowances).</i>
Termination	<p><i>Disgen may terminate the SPA for its convenience at any time by giving the Purchaser 30 days' written notice if: continuing to provide the Solar Electricity would cause Disgen significant ongoing financial losses, the Connection Point is disconnected, the Purchaser has provided false or misleading information concerning the SPA, the premises are rendered ineffective for the proper operation of the SPS or the Licence is terminated. In such case, the purchaser has no claim against Disgen in respect of any damage or liability incurred or sustained as a result of or in connection with the termination.</i></p> <p><i>The Purchaser may terminate the SPA for its convenience at any time by giving Disgen 30 days' written notice, in which case the Purchaser must pay Disgen the Early Termination Amount (see below).</i></p>

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	<p>At any time while an event of default continues, a party not in breach of the SPA or which did not cause the event of default to occur may terminate the SPA by giving the other party 30 days' written notice specifying the event of default relied upon.</p> <p>Termination of the SPA for any reason does not affect the rights of a party that arose before the termination, or as a consequence of the event or occurrence giving rise to the termination, or as a consequence of the breach of any obligation under the SPA which continues to take effect after termination.</p>
Early Termination Amount	<p>Under the terms of SPA and if the purchaser elects to terminate the SPA before the end of the Supply Term, the purchaser must pay Disgen an 'early termination amount' (ETA). The ETA is a liquidated genuine pre-estimate of loss suffered by Disgen derived from the payments due for services performed in accordance with the SPA prior to the date of termination and expenses reasonably incurred as a result of the termination, including the cost of instalment, removal and redeployment of the SPS. The ETA for the purchaser is fixed at \$15,000.</p>
Indemnity	<p>Each party to the SPA indemnifies the other against any claim, damage, loss, liability, or expense, including physical loss of or damage to property and damage in respect of personal injury caused by that party's breach of the SPA or its negligent act or omission.</p>
Limitation of liability	<p>Disgen has no liability for damage that the purchaser suffers under the SPA unless it is caused directly by a breach of the SPA by Disgen or by the negligent act or omission of Disgen.</p>
Consequential Loss	<p>Neither party to the SPA will be liable for consequential or indirect loss in excess of any insurance policy which responds to such loss.</p>
Dispute Resolution	<p>The parties agree that it is a condition precedent to the commencement of any litigation proceedings by a party in respect of any dispute under the SPA that the party has complied fully with the SPA dispute resolution process.</p> <p>The dispute resolution process requires that the parties must within 7 days after receipt of a dispute notice nominate in writing to the other party a representative authorised to negotiate and settle the dispute on its behalf.</p> <p>The parties' representatives must negotiate in good faith with a view to resolving the dispute within 21 days after the receipt of the dispute notice, (or such period as agreed). Failing agreement by the parties, the dispute must be immediately referred to an expert for determination.</p>
PPSA security	<p>If Disgen determines that the SPA contains or gives rise to a 'security interest' for the purposes of the Personal Property Securities Act 2009 (Cth.), Disgen may register that interest and the purchaser consents to that registration.</p>
Confidentiality	<p>The SPA obliges the parties to ensure that they do not disclose or give to any third party any confidential information of the other party, without prior written consent or as required by any law, including any listing rules applying to a party.</p>

Key Concepts and Conditions**Privacy Act**

Disgen may collect and disclose personal information (as defined in the Privacy Act 1988 (Cth.)) about the purchaser in compliance with the Act. Disgen may also disclose personal information about the purchaser where disclosure is required to verify the creditworthiness of the purchaser or for the purposes of recovering any amounts owed by the purchaser under the SPA and as required for Disgen to carry out its obligations or exercise its rights under the SPA.