



**GLOBAL LEAP
OFF-GRID APPLIANCE BULK PROCUREMENT INCENTIVES
FIRST ROUND**

**Terms and Conditions
26 February 2016 (“Effective Date”)**

Introduction

The Global Lighting and Energy Access Partnership (“[Global LEAP](#)”) procurement incentives program (“Program”) will use results-based financing to **reduce risk across the off-grid appliance supply chain** by 1) lowering the cost of best-in-class off-grid appliances for early mover off-grid solar companies, and 2) generating increased demand for appliance manufacturers that have invested in the production of high-quality off-grid appliances. As an initiative of the Clean Energy Ministerial led by the U.S. Department of Energy, Global LEAP seeks to advance global clean energy access goals by inspiring competition to drive technical and market innovations in the off-grid appliance sector.

The Program will provide financial incentives to appliance manufacturers and off-grid solar companies that partner to distribute large quantities of winning and finalist products from the Global LEAP Outstanding Off-Grid Appliance Awards (“Global LEAP Awards”) in target markets. The Global LEAP Awards identify the world’s most energy-efficient, highest quality off-grid appliances – products which are important to the growth of clean energy access markets – and the incentives will provide a clear and timely path to market for those appliances.

The first round of incentives will be available for eligible high-quality, energy-efficient off-grid televisions sold in Bangladesh. Eligible products have been identified based on the 2013-14 Global LEAP Awards for outstanding off-grid televisions. The incentives are intended to reduce risks related to bulk purchase agreements between the manufacturers of eligible products and Bangladeshi solar home system (SHS) companies that participate in the Infrastructure Development Company Ltd.’s (IDCOL’s) SHS program, and will be made available to both groups of eligible parties as defined below. There is no fee to participate in the Program.

Future rounds of the Program may be targeted at additional countries, regions, and product categories. The Administrator will release details about subsequent rounds as they become available.

CLASP serves as the operating agent and administrator (“Administrator”) of the Program. Companies that participate in the Program are subject to these Terms and Conditions (“**Terms and Conditions**”) which govern the operation of the Program and the relationship between the Administrator and Participants in the Program (as defined below).

By submitting a Claim (as defined below), Participants agree to comply with these Terms and Conditions. Violations of these Terms and Conditions may disqualify a Claim and/or Participant from the Program in the sole discretion of the Administrator.

Eligibility Requirements

1. Eligible Organizations

Eligibility for the first round of Program incentives is restricted to:

1. Bangladeshi organizations that are registered as participants in the Infrastructure Development Company Ltd.'s ("IDCOL") solar home system program ("Partner Organizations", "POs"),

AND

2. Manufacturers of appliances deemed eligible by the Administrator based on the 2013-14 Global LEAP Awards competition for outstanding off-grid televisions ("Manufacturers").

Collectively, POs and Manufacturers participating in the Program are sometimes referred to hereinafter as "Participants."

Groups of two or more IDCOL POs who wish to partner to procure Products (as hereinafter defined) may also be deemed eligible to participate in the Program, with advance permission by the Administrator. POs that are interested in such partnerships should contact the Administrator. In such instances, a single PO must serve as the lead Participant. This PO will serve as the Administrator's single point of contact and will be responsible for compliance with these Terms and Conditions.

Should a PO choose to conduct business related to the Program through a third party, such as a trading house, the PO will submit a letter to the Administrator that clearly identifies the third party and their role. Any costs associated with engaging the third party will be borne by the POs. The Administrator will not discuss details related to the Program with third parties. All Program-related communications and obligations will be the responsibility of the Participants.

POs and Manufacturers that participate in the Program *shall not* enter into an exclusivity agreement that prevents other POs from purchasing eligible Products.

2. Eligible Products

Products eligible for incentivized bulk purchase and distribution ("Products") are either:

1. Winners or Finalists of the 2013-14 Global LEAP Awards for outstanding off-grid televisions,

OR

2. Products from Manufacturers of Winners or Finalists of the 2013-14 Global LEAP Awards for outstanding off-grid televisions that are most similar in terms of product technical features and

specifications to the Winner or Finalist product, as determined by the Administrator, should the Winner or Finalist product no longer be available on the market.

All Products shall be tested by the Administrator, in an accredited test laboratory facility designated by the Administrator, according to the [Global LEAP Off-Grid TV Test Method](#) to verify the Product's quality and energy performance. Products deemed eligible by the Administrator based on this verification lab testing that fail to meet performance expectations in the field may be removed from Program eligibility at the Administrator's discretion.

All Products must be commercially available, for both sample orders and a minimum order quantity of 2,500 units or greater, by 28 February 2016.

As of the Effective Date, the following Products are eligible for the Program:

- **Maks Powertech Ltd** L15RN01 15.6" LED TV
- **Sola Home Appliances** SO19PSD 18.5" LED TV
- **Sola Home Appliances** SO15PSD 15.6" LED TV
- **Solageo** SOL-TVE1603-G 15.6" LED TV

The Administrator will make detailed product specifications available to eligible POs. Incentives will not be offered for any other Products during the first round of the Program.

Size and Structure of the Incentives

Incentive Periods

The total incentive payment for Administrator approved Product purchases (the "Incentive") will be offered as a percentage of an eligible Product's per-unit Free on Board origin ("FOB") price. The Incentive will be offered in **two periods** (subject to the verification process later described in these Terms and Conditions):

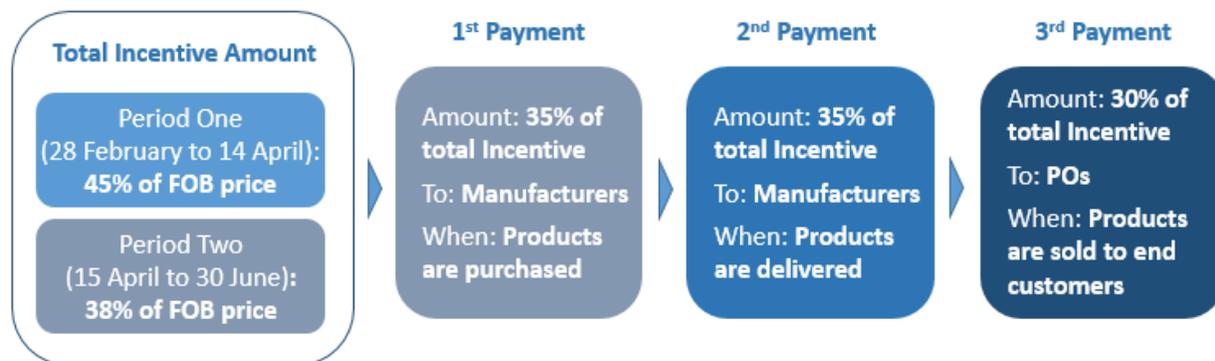
- From 28 February 2016 through 14 April 2016 the Incentive will be 45.0 percent of an eligible Product's FOB price ("Period One").
- From 15 April 2016 through 30 June 2016 the Incentive will be 38.0 percent of an eligible Product's FOB price ("Period Two").

This tiered structure is intended to inspire fast action by Participants. The dates of these Periods may be adjusted at the discretion of the Administrator.

Payment Structure

The Incentive constitutes a "buy-down" on a Product's standard FOB purchase price. Participants must provide documentary evidence of a Product's initial pre-incentive standard FOB price as part of the Claim, which will be reviewed by the Administrator. The total Incentive will be calculated based on the total number of Products purchased in a single order and the pre-incentive FOB price of the Product.

The Incentive structure utilizes Results-Based Financing (RBF) to ensure that payments are made only after milestones have been completed by Participants. While the total Incentive amount is different in Period One and Period Two, the Incentives will be disbursed via the same three-step payment process:



The first and second payments will be disbursed by the Administrator to Manufacturers.¹ The first payment will be made after verification that Products have been purchased by the PO, and will constitute 35% of the total Incentive amount. The second payment will be made after verification that Products have been received by the PO, and will constitute 35% of the total Incentive amount.

The third Incentive payment will constitute 30% of the total Incentive amount, and will be disbursed by the Administrator to POs. The third payment will be made after verification that Products have been sold to end customers.

Purchase Price for POs

POs will pay Manufacturers the standard FOB price minus the first and second incentive payment amounts (“Discounted Price”). The first and second Incentive payments combined must therefore constitute the difference between the pre-Incentive standard FOB price and the Discounted Price.² The Discounted Price for each Period equals:

- 68.5 percent of the pre-incentive standard FOB price for Incentives submitted from 28 February 2016 through 14 April 2016 (Period One), and
- 73.0 percent of the pre-Incentive standard FOB price for Incentives submitted from 15 April 2016 through 30 June 2016 (Period Two).

¹ The Program makes payments directly to Manufacturers for the sole purpose of buying down the wholesale price of a bulk purchase for POs. The Program does not make payments to the Manufacturers that, when combined with the payment they receive from POs, sum to more than the original FOB price of the order. Therefore, the benefit of the program to Manufacturers is not additional profit but is rather new customers.

² The first two incentive payments for each Period combined equal 70% of the total incentive. The total Period One incentive is 45%, and 70% of this is 31.5%. The total Period Two incentive is 38%, and 70% of this is 27%. POs will therefore pay the pre-incentive FOB price minus 31.5% or 27%, depending on the Period within which they submit their claim.

Order Thresholds

Eligible orders must be between **2,500 and 10,000 units** inclusive.³ Orders greater than 10,000 units are encouraged, but will be incentivized up to and not beyond the 10,000th unit.

THERE IS A LIMITED AMOUNT OF INCENTIVE FUNDING AVAILABLE. Based on recent Euro-to-Dollar exchange rates and market data on Product prices, the Administrator expects to be able to make Incentive payments for a total of approximately 35,000 Product units in the first round of the Program. Based on the order size thresholds above, and typical FOB prices of the eligible products, the Administrator expects to fulfill between 3 and 15 Claims.

Claims will be reviewed and Incentives paid on a first come, first serve basis.

Incentive Claim Submission, Verification, and Payment

1. Claim Submission

POs and Manufacturers that wish to submit an Incentive claim (“Claim”) should do so using the online [Claim Submission Form](#).

Claim submission requires provision of formal documentation of a transaction between the relevant Participants. This documentation must provide evidence of the pre-incentive FOB price (in USD), the number of units purchased, and proof of purchase at the incentivized price as well as any other information or documentation requested on the Claim Submission Form. Hard copies of all supporting documentation included with the online Claim Submission Form must be sent via courier to the Administrator at the following address:

Global LEAP Procurement Incentives Program
c/o CLASP
1875 Connecticut Ave NW, 10th Floor
Washington, DC 20009
United States of America

Claims must be submitted by POs, but both POs and Manufacturers will be responsible for provision of required documentation to the Administrator as identified in the Claim Submission Form. Participants will therefore need to coordinate during Claim preparation and submission. Pending availability of Incentive funds, eligible POs may be able to submit a second Claim with advance written permission of the Administrator. POs must submit each Claim separately for each Product order.

³ Orders must be greater than or equal to 2,500 units and less than or equal to 10,000 units (2,500 units \leq x \leq 10,000 units)

The Claim submission process opens as of 00:00:01 on **28 February 2016** and closes at 23:59:59 on **30 June 2016** (local time in Washington, DC, USA). Submission of Claims is free of charge.

POs unable to submit the Claim Submission Form online or by email should contact the Administrator for an offline version. The Administrator can be contacted via email at GlobalLEAP@clasp.ngo, or via fax at +1 (202) 750-5601, or via phone at +1 (202) 750-5589, or via post at the address provided above.

Conditions of Claim Submission

- Claim submission represents a legally-binding acceptance of these Terms and Conditions.
- Program Participants may be added to Global LEAP mailing lists and contact databases, and may receive information on Global LEAP activities.
- Participants agree to comply with all requirements of the verification process.
- Global LEAP, the Clean Energy Ministerial, Energising Development, the Administrator, and their partners may use information regarding Claim transactions and related verification activities for public information purposes and to promote the Global LEAP Awards, the Program and other activities via media such as websites, reports, academic analyses, brochures, and events. The information used may include company names, sales figures (e.g., volume), costs, geographic distribution, anonymized customer information, and more.
- The Administrator reserves the right to adjust, strike, or redefine any of the Program terms and conditions at any time and for any reason.
- Should a Claim be submitted without the all required information, the Administrator reserves the right to reject that Claim.
- Should there be any evidence of fraud or corruption, the Administrator reserves the right to pursue legal redress.
- All decisions rendered by the Administrator regarding Claims are final.

2. Verification

Upon the submission of a Claim by the PO, the Administrator will initiate a verification process. The verification process will be managed and coordinated by the Administrator, and implemented by the Administrator as well as sub-contracted third party organizations that serve as the Administrator's agents ("Verification Agent").

Each incentive payment is contingent on verification that the required activities have been completed satisfactorily. The verification process will therefore take place in three steps:

1. Verification of Product purchase: Participants must provide documentation via the Claim Submission Form (e.g., price quotes, purchase orders, evidence of financing) that verifies the transaction. The Administrator will initiate review of this documentation upon receipt of Claim.

The Administrator will endeavor to complete the review within 10 business days of submission of all required documentation. Upon successful completion of this review, if Incentive funds are available, 35% of the total Incentive amount will be released to the Manufacturer.

2. Verification of Product receipt: The Verification Agent will conduct an onsite physical inspection of the PO's warehouse or storage facility ("Facility") to verify Product receipt. The onsite

inspection of the POs Facility will include a review of the documentation used to provide proof of purchase to ensure that only eligible Products have been accounted for in the Claim. **Physical inspection must take place at a Facility operated by the PO. Facilities operated by a third party such as a trading house cannot serve as the location for the inspection.**

The Verification Agent will endeavor to complete the Facility inspection within 10 business days of notification of Product receipt by the PO. Participants will be deemed to have failed this step of the verification process if, among other reasons, materially fewer Eligible Products than claimed are found to be in the PO's facility.

Upon successful completion of the verification, 35% of the total Incentive amount will be released to the Manufacturer.

3. Verification of Product sale to end customers: The Verification Agent will conduct telephonic and in-person customer interviews to verify that Products have been sold to SHS customers. In order to complete this step of the verification process, PO's must provide customer data for all Product sales to the Administrator. The Administrator will provide formatting and submission guidelines for the customer data to the PO. Selection of customers to be interviewed will be made by the Administrator or the Verification Agent.

All Products must be sold no more than six (6) months after the Facility inspection and no later than 31 January 2017. Customer interviews should be initiated when the last Product has been sold and no later than 31 January 2017. The Verification Agent shall endeavor to complete all customer interviews within one month after Products are sold. Claimants will be deemed to have failed this step of the verification process if reported sales cannot be confirmed in at least 20% of telephonic and/or in-person customer interviews.

Upon successful completion of the telephonic and in-person interviews, 30% of the total Incentive amount will be released to the PO.

NOTE: Verification Agents will provide protocols for steps two and three of the verification process described above. Failure to comply with any part of the protocols will result in the Participant being suspended from the first round of the incentives program and the denial of the full remaining value of the Participant's incentive payment. It may also result in the Participant being barred from future rounds of the Program, at the Administrator's discretion.

3. Payment Summary

Upon satisfactory completion of each stage of the verification process as determined by the Administrator and the Administrator's Agents, the Administrator will disburse Incentive payments. The Incentives will be disbursed in three payments.

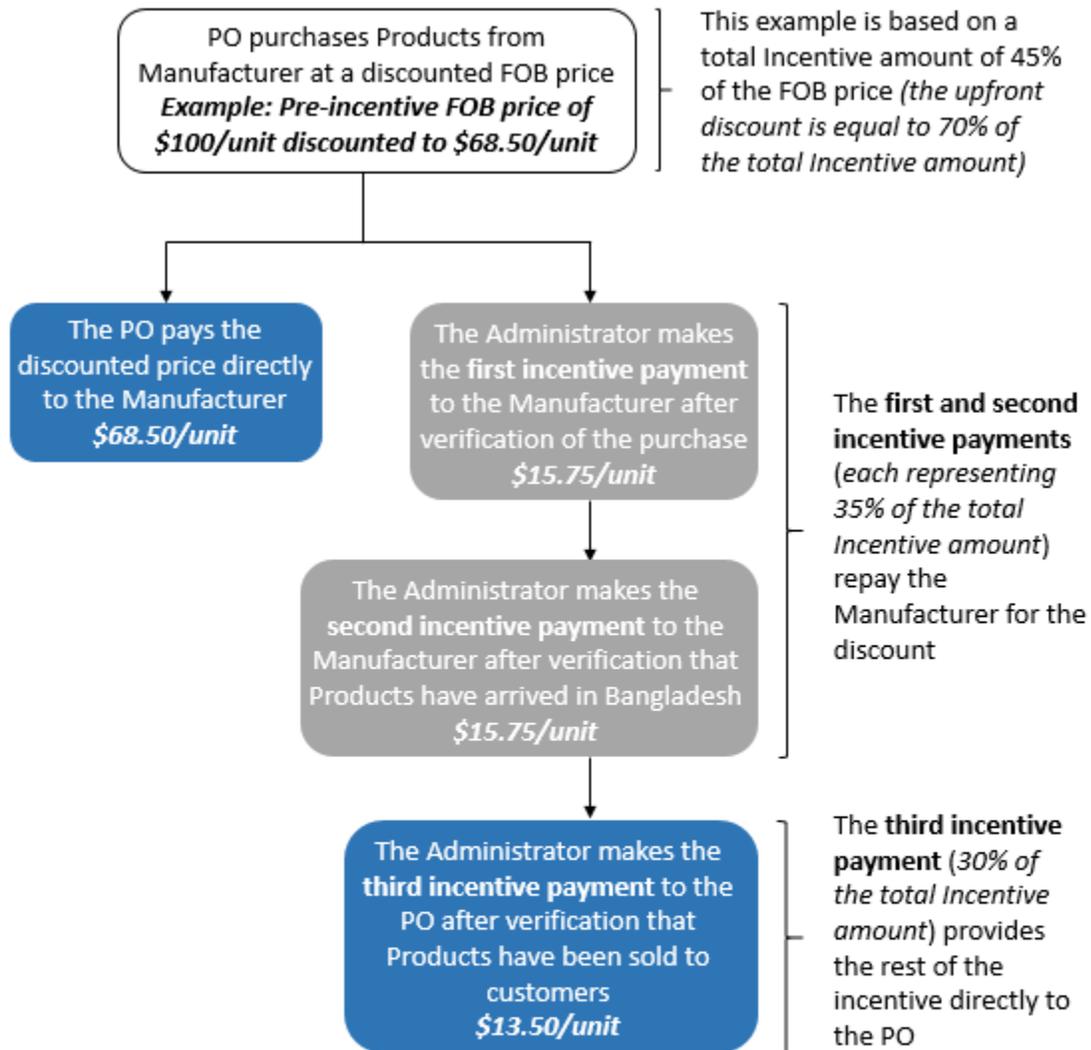
Table 1: Payment Schedule

Payments		Contingent Upon	Paid To
First	35% of Total Incentive Amount	Verification of Product purchase	Manufacturers
Second	35% of Total Incentive Amount	Verification of Product delivery	Manufacturers
Third	30% of Total Incentive Amount	Verification of Product sale to end customers	POs

Incentive payments will be made in USD to a dedicated account of each Participant, which they are required to open to participate in the Program. These dedicated accounts may reside within a financial institution of the Participants' choosing. Fees related to opening and operating these accounts will be the Participants' responsibility. Wire transfer expenses supporting each incentive payment will be deducted from the associated incentive payment.

After transmission of each incentive payment, Participants will be provided a brief statement that includes a summary of the Claim, the results of the relevant verification process, details of payments released, and (when applicable) details of payment still owed.

4. Overview of Claim Submission, Verification, and Payment Process



$$\begin{array}{ccccccccc}
 \$68.50 & + & \$15.75 & + & \$15.75 & + & \$13.50 & = & \$100 \\
 \uparrow & & \uparrow & & \uparrow & & \uparrow & & \uparrow \\
 \text{Discounted} & & \text{First} & & \text{Second} & & \text{Third} & & \text{Pre-incentive} \\
 \text{FOB price} & & \text{incentive} & & \text{incentive} & & \text{incentive} & & \text{standard} \\
 & & \text{payment} & & \text{payment} & & \text{payment} & & \text{FOB price}
 \end{array}$$

5. Timeline for Claim Submission, Verification, and Payment Process

Table 2: Key Program Dates

Program Activity	Date
Claims submission period opens	28 February 2016
Last date to submit claims for higher level of Incentive (Period One)	14 April 2016
Incentive Claims submission period closes	30 June 2016
Date by which all Product sales must be verified	31 January 2017

The chart below provides an indicative timeline for participation in the Program. The specific timeline for completion of verification requirements and disbursement of payments will vary for each participant, and will be predicated on timely resolution of initial business negotiations and Claim submission. In addition, timely provision of customer data to the Verification Agent will enable timely completion of customer interviews to verify sales, unlocking the third Incentive payment.

Table 3: Indicative Program Timeline

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Administrator provides Product specifications to eligible POs											
POs and Manufacturers negotiate and finalize Product purchase order											
PO submits incentive Claim											
Claim reviewed and first payment is made											
Products arrive in-country											
Facility inspection takes place and second payment is made											
POs sell appliances to end users											
Customer interviews verify sales and third payment is made											

Program Contact Information

For specific inquiries about the Global LEAP Incentives Program contact the Administrator: GlobalLEAP@clasp.ngo. Participants, or prospective Participants, are strongly encouraged to contact the Administrator with any questions.

Other Terms and Conditions

General Conditions.

By participating in the Program, each Participant fully and unconditionally agrees to and accepts these Terms and Conditions and the decisions of the Administrator, which are final and binding in all respects. By participating in the Program, each Participant waives any right to claim ambiguity in these Terms and Conditions. The Administrator reserves the right, in its sole and absolute discretion, to cancel, terminate, modify, extend, or suspend the Program (in whole or in part) should non-authorized intervention, fraud, or other causes corrupt or affect the administration, security, fairness, or proper conduct of the Program. In such case, the Administrator may award Incentives from all eligible Claims received for the Program prior to and/or after (if appropriate) the action taken by Administrator or via some other means determined by Administrator in its sole and absolute discretion to be fair, appropriate and consistent with these Terms and Conditions. Administrator reserves the right to disqualify any Participant it determines, in its sole and absolute discretion, is or is attempting or intending to: (a) tamper with any aspect of the operation of the Program, (b) defraud the Program, (c) undermine the legitimate operation of the Program by cheating, deception, or other unfair playing practices, (d) annoy, abuse, threaten, or harass any other Participants, the Administrator, Verification Agent, or representatives of the Program, or (e) act in violation of these Terms and Conditions. In such event, the Administrator reserves the right (in addition to disqualification of such Participant) to seek damages from any such Participant to the fullest extent permitted by law. The Administrator's failure to enforce any provision of these Terms and Conditions shall not constitute a waiver of that provision. Any entity that enters the Program through means not permitted by these Terms and Conditions is subject to disqualification. The Administrator is not required to respond to questions about the Program.

General Release and Waiver of Claims.

By entering this Program, each Participant hereby releases the Administrator, Global LEAP, and all of their respective parents, subsidiaries, affiliates, advertising agencies, and all of their respective directors, officers, governors, employees, shareholders, and agents (collectively, the "Releasees") from: (i) any and all liability, loss, harm, damage, cost, expense, or claims, including third party claims based on publicity and/or privacy rights, defamation, and intellectual property associated with the Participant participation in this Program, any award or Incentive associated with this Program, the use, collection, or release of any and all information permitted hereunder, and/or use or misuse of any Incentive in connection with this Program, including, but not limited to, all reasonable counsel fees and court costs incurred; (ii) anything related to the Program, or execution of this Program (or participation therein), including preemption, cancellation, or rescheduling; and (iii) anything that may occur in connection with acceptance and/or use of the award or while participating in the Program, even if caused or contributed to by the negligence of Releasees.

Limitations of Liability.

Neither Administrator's nor any other Releasee is responsible for lost, late, incomplete, stolen, misdirected, illegible, erroneous or incomplete Claims or Claim Submission Forms. Neither Administrator nor any other Releasee is responsible for any incorrect or inaccurate information, whether caused by Participant, tampering, or by any of the equipment or programming associated with or utilized in the

Program, and neither Administrator nor any Releasee assumes responsibility for any error, omission, defect, theft, destruction, or unauthorized access to the materials related to the Program, or for any damage to any computer related to or resulting from participating in the or entity Program. No responsibility is assumed by the Administrator for lost, late, mutilated, incomplete, illegible, stolen, misdirected, erroneous or delayed entries or e-mail; or for any computer, telephone, cable, satellite, network, electronic or on-line/Internet hardware or software malfunctions, failures, connections, or availability, or garbled or jumbled transmissions, or service provider/Internet/website use, accessibility or availability, or traffic congestion, or unauthorized human intervention, other errors of any kind, including without limitation, testing results, whether human, mechanical, electronic or network, or the incorrect or inaccurate capture of entry or other information or the failure to capture, or loss of, any such information. Any use of robotic, macro, automatic, programmed or like entry methods will void all such entries by such methods. No responsibility is assumed by the Administrator for any incorrect or inaccurate information, whether caused by Participants, website users, testing organizations, tampering, hacking, Product testing or by any of the equipment or programming associated with or utilized in the Program; and none of the Releasees assume any responsibility for any error, omission, interruption, deletion, defect, delay in operation of the Program. IN NO EVENT WILL THE ADMINISTRATOR OR ANY RELEASEE BE RESPONSIBLE OR LIABLE FOR ANY INJURIES, CLAIMS, ACTIONS, DAMAGES, LOSSES, OR LIABILITY OF ANY KIND, INCLUDING DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES RESULTING FROM OR ARISING FROM PARTICIPATION IN, OR THE PRODUCTION, PROGRAM, OR ADMINISTRATION OF, THE PROGRAM, OR ACCEPTANCE, POSSESSION, USE, MISUSE, OR NONUSE OF AN AWARD. WITHOUT LIMITING THE FOREGOING, ALL INCENTIVES AND THE PROGRAM ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. SOME JURISDICTIONS MAY NOT ALLOW THE LIMITATIONS OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR EXCLUSION OF IMPLIED WARRANTIES, SO SOME OF THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO YOU. CHECK YOUR LOCAL LAWS FOR ANY RESTRICTIONS OR LIMITATIONS REGARDING THESE LIMITATIONS OR EXCLUSIONS. ANY ATTEMPT BY A PARTICIPANT OR ANY OTHER INDIVIDUAL TO DELIBERATELY UNDERMINE THE LEGITIMATE OPERATION OF THE PROGRAM IS A VIOLATION OF CRIMINAL AND CIVIL LAWS, AND SHOULD ANY SUCH ATTEMPT BE MADE, THE ADMINISTRATOR RESERVES THE RIGHT TO SEEK DAMAGES FROM ANY SUCH PERSON OR ENTITY TO THE FULLEST EXTENT PERMITTED BY LAW.

Choice of Law.

All United States federal, state, and local laws and regulations apply to the Program, regardless of region. Participants agree that: (1) any and all disputes, claims, and causes of action arising out of or connected with this Program, or any award, or the determination of the Winners, shall be resolved individually, without resort to any form of class action; (2) any and all claims, judgments, and awards shall be limited to actual out-of-pocket costs incurred, including costs associated with entering this Program but in no event attorneys' fees. All Nominators acknowledge and agree that the Program shall be administered solely in the District of Columbia, United States of America, and that all issues and questions concerning the construction, validity, interpretation, and enforceability of these Terms and Conditions, or the rights and obligations of Participant and/or Administrator in connection with the Program, shall be governed by, and construed solely and exclusively in accordance with, the laws of the District of Columbia, United States of America, without regard to conflicts of law/choice of law doctrine of any other jurisdiction, and all proceedings shall exclusively take place in the United States District Court for the District of Columbia. Participant agrees to the exclusive jurisdiction of such court and waives any right to change of venue or any like right.

Copy of Terms and Conditions.

Terms and Conditions may be obtained by visiting Administrator's website at www.GlobalLEAPawards.org during the Program.