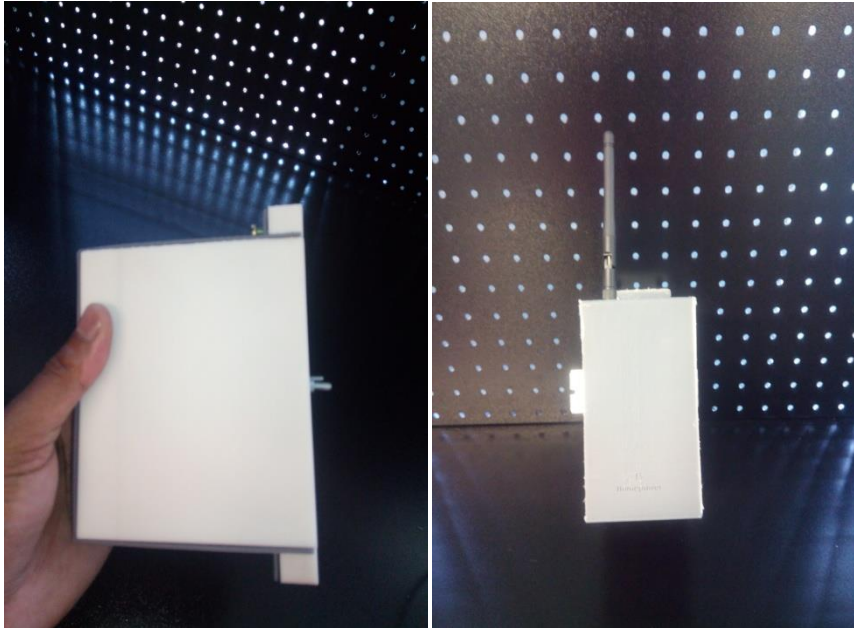




ELECTRICITY ACCESS REMOTE SWITCH DESCRIPTION

(EARS DOCUMENT)

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Low fidelity Prototype of EARS Device

Function: What does the entity do?

It is a remote electricity access switch that allows domestic and commercial (maximum 380 volts output load) electricity suppliers to remotely manage the tenants behavior by switching the electricity on/off for the defaulting and delinquents customers from anywhere in the world.

Performance: How well does it (or intend to) do it?

Assuming effective network coverage:

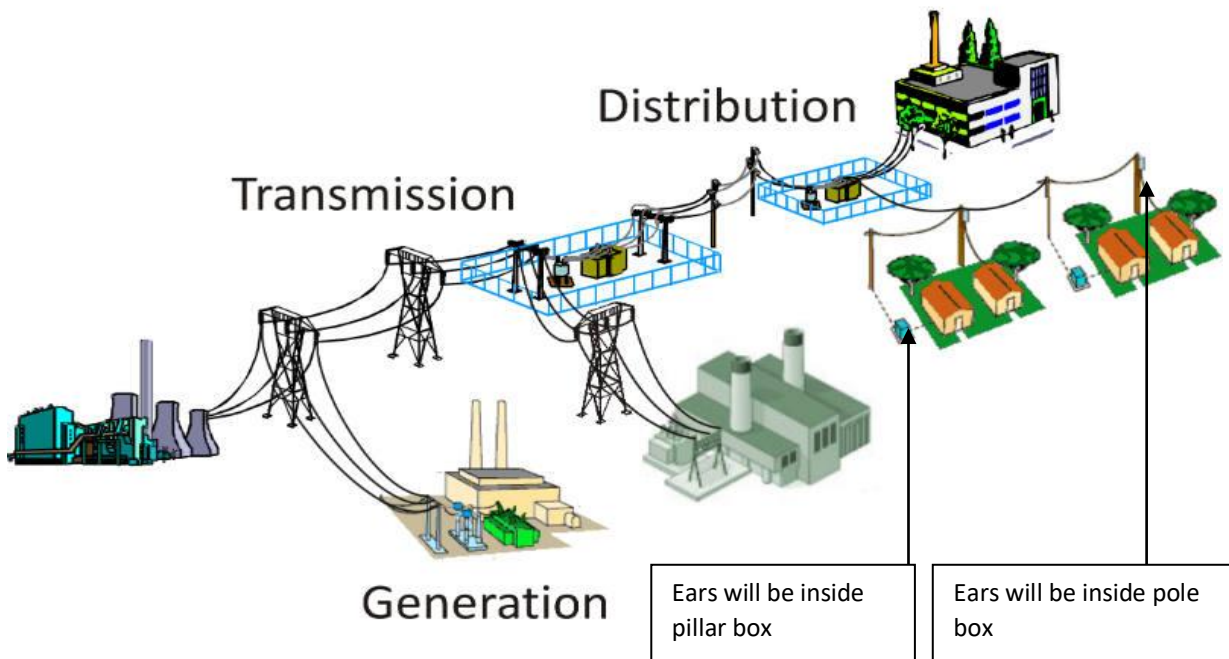
EARS aim to achieve the following end goals:-

- Eliminate travelling to site to manually switch off defaulting and delinquent users
- Eliminate exposure of personnel to unsafe working conditions when manually switching-off electricity on-site.
- EARS will provide electricity suppliers assurance that switched-off defaulting and delinquent customers remain switched-off

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Where the EARS device should be installed



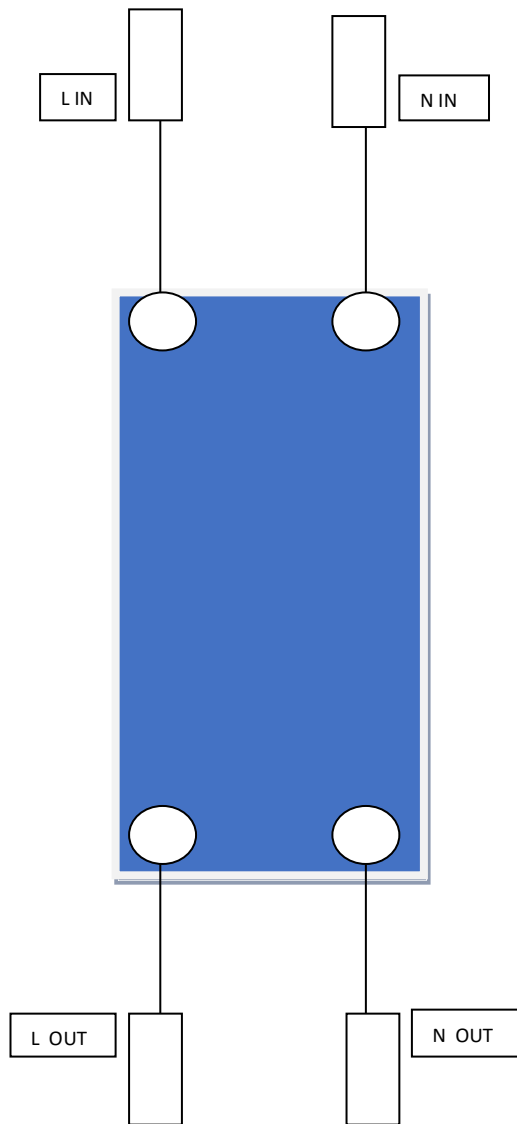
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Principle: How does it (or intend to) do it?

EARS is intend to disconnect the minimum of 230 volts and the maximum of 380 volts domestic supply it will be installed inside the street pole distribution box for aerial supply and pillar-box for underground supply. EARS will be connected before the supply breaker that passes electricity into the house meter. EARS will be using the mobile network for communication with the software-system signal to switch on/off from anywhere in the world by the user or operator.

How the EARS device should be installed



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<u>Problems</u>	<u>Solution</u>	<u>Unique Value</u>
<p>#1 electricity suppliers spent R168 mil over three years on service providers to disconnect defaulting electricity customers without accurate quality assurance capability that the disconnection was executed.</p> <p>#2 Bribes - Disconnections don't always occur due to the culture of bribes.</p> <p>#3 Impersonate - impersonate municipal electricity technician for criminal reasons.</p> <p>#4. Noise disturbance in complexes</p> <p>#5. Safety - Executing disconnections in dangerous areas where community can attack technicians for disconnecting.</p>	<p>#1 Remotely switching off defaulting customers remotely therefore mitigating person to person corruption and increasing technicians' safety when in dangerous areas using EARS</p> <p>#2 Remotely switching off unmanageable tenants whom disturb the peace and defaulting on rent and utilities using EARS</p>	<p>#1 Reducing cost of switching defaulting/unmanageable tenants off.</p> <p>#2 Eliminate system corruption (bribes, illegal reconnections)</p> <p># 3 Personnel safety when disconnecting in dangerous areas.</p> <p>#4 Reduce numbers of defaulting customers.</p>
Existing Alternatives	Key Metrics	High Level Concept
<p>#1 Manual inspection if the disconnection was executed.</p> <p>#2 Police and Hawks set traps and arrest technicians/people who demand/take bribes.</p> <p>#3 Fines imposed on noise makers who are disturbing the peace.</p>	<p>#1. Increases debtor collection.</p> <p>#2. Decrease in contractor expenditure.</p> <p>#3. Decrease in defaulting customers.</p> <p>#4. Decrease in unmanageable tenants.</p>	<p>A remote, switching off Electricity for defaulting customers and to manage behaviour of tenants.</p>

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- # HOW IT WORKS (more effective than handing over accounts to lawyers/ getting an eviction notice)
- # INSTALLATION PROCESS
- # STANDARDS AND CERTIFICATION (SABS & SANS)
- # First time invention (comparison table)

Packages and prices

As stated above municipalities and body corporate recognize and understand they it's a must for them to incur some costs (through contractors, lawyers, courts and collection agents) in order for them to retrieve their money from their customers. Below are our packages.

	Package 1 (Own EARS)	Package 2 (Own EARS)	Package 3 (Lease EARS min 3yr)	Package 4 (Lease EARS min 3yr)
Sale of EARS device	❖	❖		
Installation fees(once off)	❖		❖	
Subscription fees(per/ m)	❖	❖	❖	❖
Maintenance fees(per/m)	❖		❖	
Training for Installation & Maintenance fees(once off)		❖		❖

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Scenario

A municipality/ body corporate wants to collect outstanding revenue from its clients, 10 clients owe R 100 000 each (R1 million in total). Let's assume that the municipality has opted for package 4.

	1 client	10 clients
<i>Installation Cost</i>	R 500	R 5 000
<i>Subscription Cost (R55 x12mnts)</i>	R 660	R 6 660
<i>Total Cost</i>	R 1 160	R 11 660
<i>Amount Retrieved</i>	R 100 000	R 1 000 000
<i>Recovered Amount</i>	R 98 840	R 988 340

** This method is more effective, quicker and less costly than handing over accounts to lawyers or getting an eviction notice.

- Average Lawyer fees -> R1500 per hour
- Average Contractor fees -> R350 call out excl. labour
- Average Court expenses -> R 3 500
- Average Collection agents' fees -> 10-15% of principle amount
- Eviction Notice fees -> R5000 – R25000 (<https://www.iol.co.za/personal-finance/how-to-evict-a-tenant-lawfully-2059984>)

	Cost	1 Client	10 Client
<i>Lawyers' fees</i>	R 1500p/h	R3000	R 30 000
<i>Contractor fees</i>	R 350 excluding labour	R600	R 6000
<i>Court Expenses</i>	R 3500	R3 500	R35 000
<i>Collection Agent</i>	10% - 15%	R 10 000	R 100 000
<i>Eviction Notice fees</i>	R5000 – R25000	R 5 000	R 50 000
<i>Total Cost</i>		R 22 100	R 221 000
<i>Recovered Amount</i>		R 77 900	R 779 000

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