



BEC LTD.

A CAYMAN ISLANDS COMPANY

BRILLOUIN SERIES D (BSD) UNIT FUND SUMMARY

14 FEBRUARY 2019

BEC Ltd. is a Cayman Islands based not-for-profit investment fund company supporting the acceleration and commercialization of leading-edge energy production technology companies. You can find more information at the bec.ltd website.

BEC Ltd. has negotiated the exclusive purchase of Brillouin Energy Corp. Series D Preferred Shares under very favorable terms and is conducting a private fund-raising program to secure funds necessary for the purchase from a select group of forward-thinking investors. To learn more about Brillouin Energy's technology and its exceptional promise, visit the Brillouin Energy Corp. website at brillouinenergy.com. All units sold during the fund raising program will participate fully and transparently, on a pro rata basis, in the benefits and proceeds of the Series D Shares

BEC Ltd. is committed to transparency and clarity for our members and partners and welcome feedback at ir@bec.ltd to correct or improve this prospectus for everyone.

The following is a summary of the terms within the [Series D Preferred Share Certificate of Designation](#). Where there is any discrepancy or possibility of misinterpretation, the official legal document available above shall always hold precedence over this summation.

[Brillouin Energy Series D Preferred Shares](#)

1. 1 million shares maximum shall be issued.
2. Each share will be valued at a minimum of \$100 USD. This value may rise if the total funds raised exceeds \$100M.

This was negotiated and is very important to the value proposition of the investment, as you will see below.

3. These shares have a liquidation preference over all other Series' (A, B, C and common shares) up to, but not exceeding, the initial share value.

This means that if things go horribly wrong, BEC Ltd. (the Series D shareholder) will receive a partial or full refund of the share purchase from the proceeds of any liquidation (sale of assets, etc.) before any other shareholders.

4. Once Brillouin Energy Corp begins Commercial Sales of their technology (we estimate 18-24 months), BEC Ltd. will receive dividends from the earnings of Brillouin Energy Corp through the ownership of the Series D Shares. The following illustrates the dividend plan and is based on the full subscription of the Series D Shares. If all shares are not sold, the rates for each Phase of the dividend plan will be reduced pro rata. The Total Series D Price referred to below is calculated as the total Series D Shares sold multiplied by the Series D Share Price (as mentioned in point 2).
 - a. Phase 1 Dividends:
From the Commercialization Date and until Brillouin Energy has paid BEC Ltd. dividends totalling five (5) times the Total Series D Price; Brillouin Energy will pay twenty (20) percent of its earnings as dividends to BEC Ltd.
 - b. Phase 2 Dividends:
From the end of Phase 1 and until Brillouin Energy has paid BEC Ltd. dividends totalling ten (10) times the Total Series D Price; Brillouin Energy will pay ten (10) percent of its earnings as dividends to BEC Ltd.
 - c. Phase 3 Dividends:
From the end of Phase 2 and for as long as the Series D Shares exist; Brillouin Energy will pay five (5) percent of its earnings as dividends to BEC Ltd.
5. In the event of a sale of Brillouin Energy Corp. (possible, but HIGHLY unlikely), the Series D shareholder (BEC Ltd.) will have the opportunity to convert the Preferred Shares to Common Shares prior to the sale, in order to fully benefit from the sale. The conversion terms have been negotiated as follows;
 - a. If the sale occurs before the end of Phase 1 Dividends, the Series D Shares will convert to Common Shares totalling twenty (20) percent of the Brillouin Energy Common Stock;
 - b. If the sale occurs during the Phase 2 Dividends, the Series D Shares will convert to Common Shares totalling ten (10) percent of the Brillouin Energy Common Stock;
 - c. If the sale occurs after the end of Phase 2 Dividends, the Series D Shares will convert to Common Shares totalling five (5) percent of the Brillouin Energy Common Stock.

The BSD Units are the unit of account for the BSD Fund. The unit holders of the BSD fund will participate fully, transparently and directly on a pro rata basis in the benefits and dividends of the Brillouin Series D Shares. Our goal is to raise as much as possible for the share purchase in order to maximize the time spent in Phases 1 and 2 of the dividend plan. The full Unitholder Agreement can be found [here](#) but this is a general summary of the parameters of the Fund;

1. 1 Billion Units in the fund.

This is primarily because we foresee growth in the price per unit over time.

2. Initial price per Unit is € 0.11 (EUR).

BEC Ltd. uses Euros as its primary currency.

3. Maximum 1,999 account holders within the fund and maximum 299 US-Person account holders among them.

This is to comply with regulatory restrictions and is designed to keep BEC Ltd. operations lean.

4. US-Person account holders must be Accredited Investors under US Law.
5. In order to meet the minimum targets for the Series D purchase, the minimum account size will be € 50,000.00. The equivalent of approximately 450,000 Units. There will be no maximum account size.
6. Once the Unit Sale is complete, account holders will be able to trade their units securely amongst themselves as well as divest their account to an external third party through features of the BEC Ltd. Fund Management Platform.
7. Once dividend payments begin, BEC Ltd. will distribute all revenues from the Series D dividends to each unit holder on a per unit pro rata basis. Account Holders using [TransferWise.com](https://www.transferwise.com) as their bank will receive their dividends with no banking fees (as of this writing, TransferWise charges no fees for transfers between customers in the same currency).

BEC Ltd. will conduct the unit sale in two stages;

1. The first 500 Million units will be placed on a first come first served basis at the initial unit price of € 0.11 per unit.
2. Once that threshold is passed the following will occur;
 - a. Simple unit placement will be halted.
 - b. Any in progress purchases (awaiting funds transfer) will be honoured.
 - c. Existing and any potential new account holders will be able to bid for the remaining units (minimum € 0.11 each) using an open auction format.
 - i. Existing and potential account holders will specify a price and number of units they wish to purchase.
 - ii. Once they have bid, they will be able to see where they rank in the bidding.
 - iii. The auction board will stay open for two weeks, during which time existing and potential account holders will be able to modify their bid.
 - d. Once the auction closes, winning bids (first by highest price, then if there's a tie, highest number of units, then, if there's still a tie, by earliest bid date/time) will be notified and will have a reasonable but limited time to complete their transactions.
 - e. In the event that some winning bidders do not complete their transactions in time, remaining bidders will be notified in price/number/date/time order until all units are placed.
 - f. Once the sale is complete, Brillouin Energy Corp will immediately issue the Series D Preferred Shares to BEC Ltd. priced at the total value raised by the unit sale rounded up to the nearest \$ 0.01 per share.
 - g. Due to the nature of the auction, the lowest/smallest/latest winning bidder may not receive the opportunity to purchase their entire bid number of units.

Once BSD Unit Account Holders have purchased their units, they will be able to see them on the BEC Ltd. BSD Unit Holder Dashboard and will have the ability to perform limited transactions on that platform as well as manage their profile and payment directives (Banking information). Additionally, BEC Ltd. will keep all account holders informed of progress made by Brillouin Energy Corp. and the commercialization of its technology.