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This Document is important and should be read in full and considered carefully.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, or from another appropriately authorised independent financial adviser.

The Directors of the Society have approved this Document and are responsible for the information contained in this Document. The information and analysis contained in this Document have been compiled or arrived at from sources believed to be reliable but the Directors do not accept any liability for any loss arising from the use thereof.

The share capital of the Society is not traded on or through any investment exchange. No application is being made for admission of these securities to the ICAP Securities and Derivatives Exchange or the Official List of the UK Listing Authority or the AIM market operated by the London Stock Exchange or any other investment exchange.

An investment in PEC Renewables Limited involves a degree of risk and, in particular, attention is drawn to the risk factors set out in this Document. An investment in the Society may not be suitable for all recipients of this Document.

PEC Renewables Limited is a Community Benefit Society registered in England and Wales, number 32286 R.

Offer for subscription of up to £1,230,000 in Offer Shares at £1 each. The Document does not constitute an offer to sell or the solicitation of an offer to buy any securities in circumstances in which such offer or solicitation is unlawful. The distribution of the Document and the issue of Shares in certain jurisdictions outside of the UK may be restricted by law. The Society expects individuals to inform themselves about and observe any restrictions imposed by the Society through this Document.

The Society reserves the right to reject any Application to subscribe for Offer Shares in whole or in part at its sole discretion for any reason. It also specifically reserves the right to determine or alter the timing of the allotment of such Offer Shares.

This Document is provided solely for the use of prospective investors with regard to evaluating the Offer. Nothing in this Document constitutes investment, legal, accounting or tax advice, or a representation that any investment strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. This Document is intended only for the person to whom it is provided by the Society. It may not be reproduced either in whole, or in part, without our written permission.

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An investment in the withdrawable and non-transferable Shares in a Community Benefit Society is not treated as a controlled investment for the purposes of section 21 of the Financial Services and Markets Act 2000 pursuant to paragraph 14 of Schedule 1 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. The issue of withdrawable and non-transferable Shares exempts this Document from the requirements of an approved prospectus set out in section 85(1) of the Financial Services and Markets Act 2000.

Society Details

Society name
PEC Renewables Limited

Directors

Dave Garland
David Madge
Lee Richards
Chris Penberthy
Daniel Shelton
Tracey Sherston

Company Secretary

Tracey Sherston
(who is also a Director)

Registered office

c/o Low Carbon Team
Plymouth City Council,
Floor 2, Ballard House,
West Hoe Road,
Plymouth, PL1 3BJ

Registration number

32286 R

Date of incorporation

10th January 2014

Year end

30th June

Accountants and auditors

Bromhead and Co
Harscombe House, 1 Darklake View,
Plymouth, PL6 7TL

Bankers

The Co-operative Bank
Unity Trust Bank

Advisors to the Share Offer

Commercial advisors to the Share Offer

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Share Application administration and promotion of the Share Offer

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“This fantastic community project shows Plymouth taking the right steps towards a world not reliant on fossil fuels.”

**Professor Iain Stewart MBE FGS
(BBC Presenter and Plymouth University Director of Sustainable Earth Institute)**



CHAIR'S WELCOME

Dear Potential Member,

On behalf of the PEC Renewables Board I am proud to introduce to you our third community share offer, which aims to provide long-term funding for our completed and operational 4.1MW solar array in Ernesettle.

PEC Renewables has already raised £1,450,000 in community shares and, as a result, 30 schools and local organisations have received 32 free solar roofs, saving them approximately £90,000 per year on electricity bills and providing a valuable educational resource. Our first investor members have received their forecast return of 6% and we have continued to build the capacity of our enterprise to support other local fuel poverty and climate change projects.

For our third project we partnered with Four Greens Community Trust CIC and Plymouth City Council to build a 4.1MW ground-mounted solar array on derelict land in Ernesettle, in north-west Plymouth. The array was completed in March this year and is already supplying clean energy to the grid.

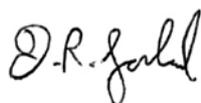
The installation has been paid for with short-term construction finance. We used this route in order to achieve a swift build following significant changes in the Government's support for solar. To keep the array as a long-term community-owned asset we are now refinancing it, with a combination of a long-term loan from Plymouth City Council and investment from you, our community.

The total community investment we seek is £1,230,000 and we intend to pay Members a return of 6% per year. Anyone aged 16 years or over is welcome to apply for shares, priority being given to those from the local area. Once again, the minimum investment is £50 which we hope will encourage involvement from right across our community.

This array is forecast to generate a lifetime income of over £600,000 for Four Greens Community Trust CIC, supporting their work to create local jobs, enterprise and training in an area with traditionally low economic participation, and approximately £2,900,000 to support Plymouth Energy Community's fight against fuel poverty and carbon emissions.

My parents used to live in Ernesettle and I attended the local primary school; it's a heart-warming feeling to be associated once more with the area where I spent my early childhood and to be able to help the present day community.

We are incredibly proud of what we have achieved with this project, often against the odds and the clock, and I would like to invite you to support us. The Board and I look forward to welcoming both old and new Members of PEC Renewables in this venture and sharing the positive social and financial outcomes of your investment.



Dave Garland



WINNER

**'Investment Deal
of the Year'**
2014 UK Social
Enterprise Awards

WINNER

**'Community
Energy Project'**
2015 Observer
Ethical Awards

WINNER

**'Best Community
Initiative'**
2014 Regen SW Green
Energy Awards

SHORTLISTED

'New Social Investors Award'
Cabinet Office and NatWest
Social Investment Awards 2016

FINALIST

**'Best Community
Energy Start-Up'**
2014 UK Community
Energy Awards

EXPECTED TIMETABLE

The Board expects that the following timetable will apply:

Date	Action
5th May 2016	Share Offer opens
24th July 2016 (unless closed early)	First close date
2nd August 2016	First issue of Shares
By 31st August 2016	Share certificates posted
At discretion of the Directors	Further close(s) and issue(s)

Share Offer statistics (Assuming full subscription)

Price per Share	£1
New Shares to be issued under the Share Offer	1,230,000
Net proceeds of the Share Offer	£1,166,363
Minimum shareholding per Member in the Society	£50
Maximum shareholding per Member in the Society	£100,000
Target amount to be raised through the Share Offer	£1,230,000
Intended rate of interest	6%
Target cumulative £ returned over 20 years per £1,000 subscribed, assuming capital is returned from year 6 to 20	£1,780

GLOSSARY

AGM (Annual General Meeting): A meeting held every year to elect the Board of Directors, inform Members of previous and future activities and to provide copies of the Society accounts.

Applicant: An Applicant for Offer Shares through submission of an Application.

Application: An Application to subscribe for Offer Shares, made either by means of the form included in this Document, or the equivalent online form available via www.plymouthenergycommunity.com/invest. This must be completed and returned or submitted in accordance with the Terms and Conditions and guidance notes included in this Document.

Application Monies: The total gross sum received by the Society from Applicants.

Asset Lock: A legal provision that prevents the assets of a Community Benefit Society (income or capital) being used for private gain rather than the stated purposes of the Society.

Board: The Board of Directors of the Society.

Community Benefit Society: A Society entity established and registered by the FCA under the Co-operative and Community Benefit Societies Act 2014 or its predecessor, the Industrial and Provident Societies Act 1965.

CIC (Community Interest Company): A company established and registered with Companies House. CICs are regulated by the Community Interest Company Regulator, exist primarily to serve their community purpose as set out in their articles of association and are restricted by an asset lock.

Construction Finance: A short-term secured loan used to pay for the cost of construction. Once the project has been built, the developer pays off the construction loan with the proceeds of a longer-term financing arrangement.

Directors: The Directors of the Society from time to time.

Document: This Share Offer Document, including the Appendices to it.

EPC: Engineer Procure Construct agreements are 'turnkey' contracts to design and build a fully operational solar project for a fixed price.

ECS (Ernesettle Community Solar Limited): The special purpose company set up to own and operate the Ernesettle community solar project. A wholly-owned subsidiary of PEC Renewables Limited. Registered in England & Wales with company number 9892557.

FCA: The Financial Conduct Authority.

FGCT (Four Greens Community Trust): A Community Interest Company, registered in England & Wales under number 09206078.

Interest rate: The amount to be paid as an annual percentage of share capital held in the Society.

IRR (Internal Rate of Return): A technical accounting calculation used to reflect the time value of money and return of capital; the discount rate at which the net present value of returns equals the net present value of investments.

kW (kilowatt): A unit that measures power and is equal to 1 thousand watts.

MW (megawatt): A unit that measures power and is equal to 1 thousand kilowatts.

MWh (megawatt hours): A megawatt hour (MWh) is equal to 1,000 kilowatt hours (kWh). It is equal to 1,000 kilowatts of electricity used continuously for one hour.

Members: The Members of the Society from time to time.

Offer: The offer to subscribe for Offer Shares in the Society described in this Document.

Offer Shares: A denomination of and confirmation of the withdrawable capital amounts paid by a proposed Member to the Society and issued in the Society, such capital amounts as reflected by the Shares held by a Member having the rights and restrictions attached to them as set out in the Rules, with each Share reflecting £1 of capital paid, offered on and subject to the Terms and Conditions, and payable in full on Application. N.B. The reference to shares in this document should not be confused with what is generally understood as shares in the conventional sense of share capital, made up of equity shares like those in a limited company, which appreciate or fall in value with the success of the company that issues them.

PEC: Plymouth Energy Community Limited (Registered Community Benefit Society number 32108 R).

PEC Renewables: PEC Renewables Limited (Registered Community Benefit Society number 32286 R).

Plant: The electricity generating equipment owned by the Society, or funded by this Offer.

Power Purchase Agreement: An agreement for the sale of electricity exported to the grid.

Principal: A sum of money invested, on which interest is paid.

Priority Applications: Applications received from Applicants in the priority classifications described in the Terms and Conditions.

Register of Members: The Register of Members and the Shares held by each Member.

ROCs (Renewable Obligation Certificates): ROCs are green certificates issued to operators of accredited renewable energy-generating stations. ROCs are issued for each MWh of renewable electricity generated and are tradable. It places an obligation on UK electricity suppliers to source an increasing proportion of the electricity they supply from renewable sources.

Rules: The Rules of the Society from time to time, the current version of which is available at www.plymouthenergycommunity.com/invest.

Secondary Rules: Secondary Rules expand on the Rules of the Society and are usually developed to improve the functioning of the Society, the current version of which is available at www.plymouthenergycommunity.com/invest.

Share Offer: The opportunity set out in this Document.

Shares: See Offer Shares.

Share Certificate: Share Certificates issued by the Society which act as a 'statement', confirming the number of Shares and therefore the amount of capital in the Society held or paid by a Member.

Share Interest: Interest payments made to members as a percentage of their investment value.

Society: PEC Renewables Limited (Registered Community Benefit Society number 32286 R).

Solar PV: The solar photovoltaic panels that convert sunlight into electricity.

Terms and Conditions: The Terms and Conditions of the Offer contained in and constituted by this Document.

ERNESETTLE COMMUNITY SOLAR

This Share Offer is an opportunity to become a social investor and Member of PEC Renewables. The aim is to raise £1,230,000 to help finance a completed 4.1MW solar array in Ernesettle, Plymouth.

The Ernesettle community solar array has already been built and energised on an 18 acre brownfield site on the edge of an industrial estate in north-west Plymouth. The site is located between a railway line along the banks of the river Tamar, a sewage treatment works and a Ministry of Defence depot. PEC Renewables has been working with Communities for Renewables CIC, Plymouth City Council and a local community economic development trust since November 2014 to bring this otherwise derelict piece of land into positive economic use.

The array consists of 16,000 ground-mounted solar panels which is forecast to generate enough electricity to meet the annual needs of over 1,000 homes, and reduce carbon dioxide emissions by around 50,000 tonnes over 25 years.

It has been built with short-term construction finance from Leapfrog Bridge Finance Limited. This enabled the array to be commissioned in time to secure a Renewables Obligation subsidy for 20 years, prior to the reduction at the end of March 2016, and means the project has already been subject to the external scrutiny of the independent technical experts used for the construction funder's due diligence.

Loan terms have now been agreed with Plymouth City Council that will provide 70% of the long-term finance required. This Share Offer Document sets out the opportunity for Members of PEC Renewables to become social investors in the remaining 30%.



“I wholeheartedly encourage local people to get involved. What a great way to invest in a secure and sustainable future for current and future generations in Plymouth.”

Molly Scott-Cato, MEP for Southwest England



ERNESETTLE COMMUNITY SOLAR

About PEC Renewables Limited
The Ernesettle community array has been developed by PEC Renewables Limited. PEC Renewables is a Community Benefit Society set up by Plymouth Energy Community in January 2014 to develop, fund and manage community-owned renewable energy installations in Plymouth. Its community purpose includes:

- Generating income for PEC to deliver projects addressing fuel poverty and climate change
- Enabling the local and wider community to share in the ownership of renewable energy projects; and
- Supporting educational and other community activities which promote awareness of energy and environmental-related issues.

Members are encouraged to become actively involved in the Society and will have an equal vote in decisions put to the Members, regardless of the number of shares for which they subscribe. PEC Renewables currently has over 300 Members.

PEC Renewables is run by an experienced Board of non-executive Directors (see page 24) and is supported by professional staff.

With two previous share offers successfully delivering 32 solar rooftop installations over the last two years, PEC Renewables has a proven track record of solar project delivery and associated finance (see page 18).

PEC Renewables has been trading for over two years and has published its first audited annual accounts for the period ended June 30th 2015 (page 18).

The Rules of PEC Renewables are available on www.plymouthenergycommunity.com/invest. The Rules set out the community objectives of PEC Renewables, how it is governed and how its community purpose is protected (including an 'Asset Lock').

About Ernesettle Community Solar Limited (ECS)

ECS is a wholly-owned subsidiary of PEC Renewables, set up specifically to own and manage the Ernesettle solar array. ECS owns all of the rights and key contracts required to build and operate the project.

Funds raised through this Share Offer will be lent to ECS through a long-term (20 year) loan arrangement between PEC Renewables and ECS. Heads of Terms for the loan arrangement have been agreed by both Boards and are described within the details of the ECS business plan on page 14.

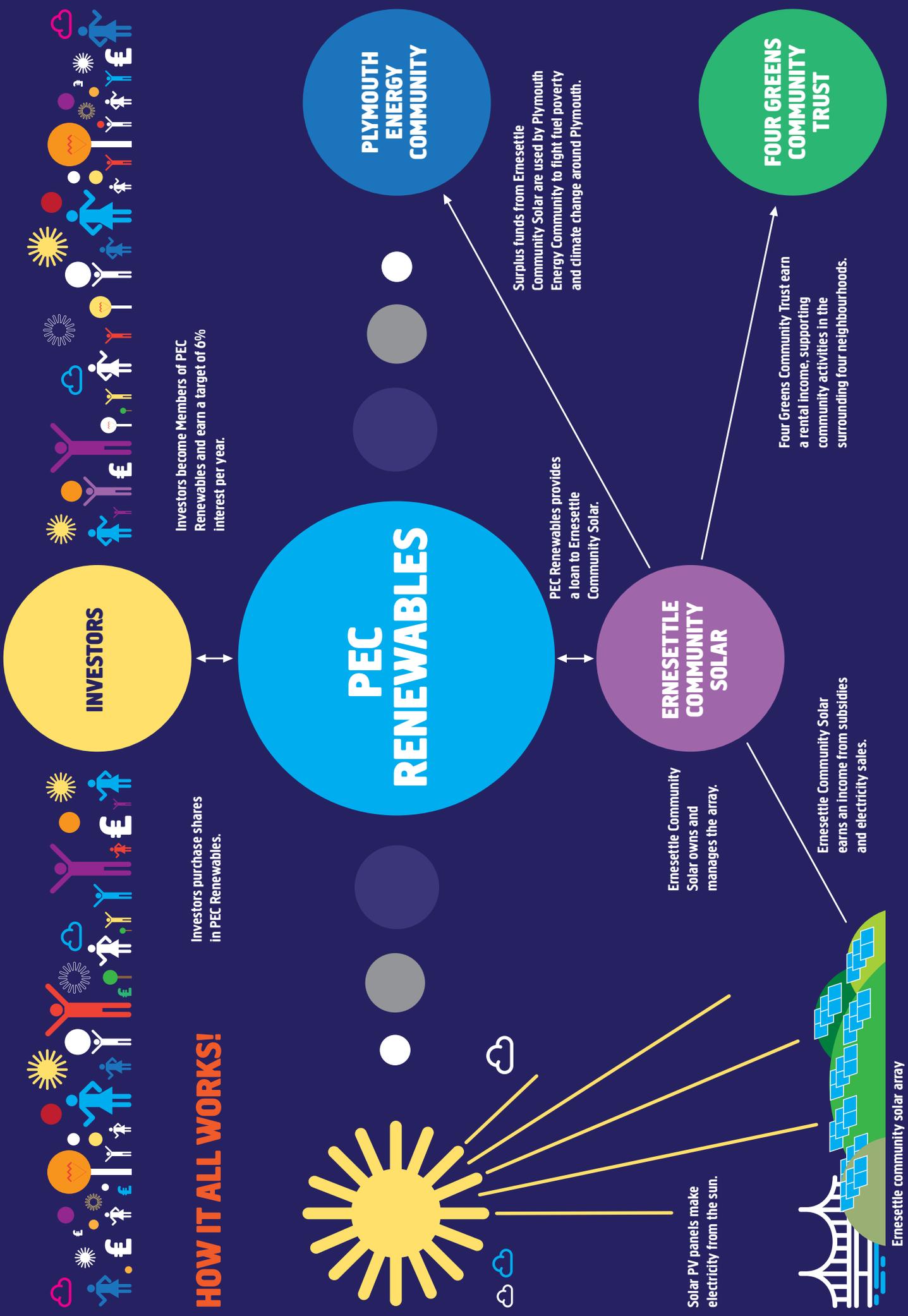
This project has been developed and built in partnership with Communities for Renewables CIC and has been funded by short-term construction finance from Leapfrog Bridge Finance Limited. This enabled the array to be commissioned in time to secure a Renewables Obligation subsidy for 20 years prior to a reduction at the end of March 2016.

ECS is a company limited by shares (company number 9892557), established in 2015. Articles of association for ECS include specific provisions related to its community function and an Asset Lock restricting the transfer of its assets.

PEC Renewables is the sole shareholder in ECS, with the ECS Board composed of Directors from PEC Renewables. ECS has implemented a policy whereby any surplus profits produced by the Ernesettle solar array after finance, operating costs and provisions for reserve funds will be paid to Plymouth Energy Community (PEC). PEC is contracted to provide management and administration services to ECS in relation to its operation of the Ernesettle solar array.



HOW IT ALL WORKS!



HOW THE COMMUNITY BENEFITS

The Ernesettle community solar array will benefit our community by creating a locally owned and controlled alternative to fossil fuel based energy generation. It is expected to provide over £600,000 to a local economic development trust and an estimated £2,900,000 to fight fuel poverty and climate change in Plymouth.

PEC's consultation with the community about the array has consistently demonstrated very high levels of local support. 87% of survey respondents (127 in total) agreed that the site is appropriate for a solar array and 82% agreed that community ownership was important.

“It makes perfect sense, that land can't be used for anything else. We can make clean energy and funds for our community, which is great for Ernesettle. It also gives a wonderful message to our children.”

Alison Sargent, local resident

Securing the future management of the land for 25 years is also bringing biodiversity back to the area. Through the construction of the array, ECS will create and restore nearly 18 acres of wildflower meadow, creating a haven for bees and other pollinating insects. This has been endorsed by Buglife, the Invertebrate Conservation Trust, as part of its Urban Buzz initiative.

PEC and Four Greens Community Trust will deliver the long-term community benefit generated by this project.

About Plymouth Energy Community (PEC)

PEC is a Community Benefit Society established in June 2013 to help local people and organisations in Plymouth transform how they buy, use and generate energy. It has over 1,200 members and its work focuses around three core goals:

- Reducing energy bills and fuel poverty
- Improving energy efficiency
- Generating a green energy supply in the city.

Plymouth faces significant issues in responding to the energy challenges linked to climate change and fuel poverty. The Plymouth Plan recognises the need to shift to a low carbon economy and targets a 50% reduction in emissions by 2031. Latest figures show that the city has over 15,400 households (13.4%) in fuel poverty and a housing stock that is characterised by a large number of poorly insulated and energy inefficient properties.

PEC was set up with the support of Plymouth City Council and has grown into a large community-owned operation, with experienced volunteer Directors and professional staff. PEC now offers a range of energy advice and support services targeted at the low income, vulnerable and fuel poor households.

This includes:

- Supporting residents to access grants to clear energy debt
- Helping improve the health of those with cold and damp-related medical conditions by improving their homes
- Promoting uptake of free and assisted insulation and heating programmes to those most in need
- Provision of energy and fuel poverty awareness training to front-line staff and volunteers
- Providing energy-focused apprenticeship opportunities
- Assistance with tariff switching
- Mentoring and supporting other community energy groups to do similar things elsewhere.

PEC's professional staff currently manages all of PEC Renewables' existing rooftop solar installations and has been at the heart of the Ernesettle project since the start. The impact of that work is demonstrated in the diagram opposite.

ECS will support more work like this by generating surpluses estimated at £2,900,000 over the next 25 years.

About Four Greens Community Trust (FGCT)

FGCT is a Community Interest Company, established in 2014. It has a local membership and an elected Board of local stakeholders. They aim to provide jobs, learning and training opportunities, and improve community services and facilities in the neighbourhoods of Ernesettle, Whiteleigh, Honicknowle and Manadon. Land and property have been set aside by Plymouth City Council for the Trust, to give local people more control and generate an income stream for FGCT.

One of these assets is the land on which the Ernesettle community solar array has been built. Plymouth City Council entered into a 25 year lease agreement with ECS, and is now transferring the site to FGCT on a 35 year lease, to allow the rental income to be invested in the local community. ECS will support the FGCT by providing over £600,000 in rent over the next 25 years.

FGCT is currently also converting a former care home in Whiteleigh into its new headquarters and business hub, and developing a community allotment. These projects bring underutilised public assets into positive economic use, directly benefiting the surrounding community. For more information see www.plymouth.gov.uk/CEDT.

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Community-owned solar arrays

€90,000

pa savings to schools and organisations

72,500

Tonnes of CO² saved over lifetime of arrays

...that's **6MW**

...equivalent to powering **1500** homes!

16,000

Solar PV panels on derelict land

...that's equal to taking

15,200 Cars off the road for a year!

€2,900,000

Estimated community benefit

1 YEAR

of volunteer time

18 ACRES

Bug-friendly wildflower meadow established

1,525

Members of PEC and PEC Renewables

€600,000

income to Four Greens Community Trust

52

Volunteers trained

7

New jobs at PEC

€155,267

Fuel debt cleared

Saving over

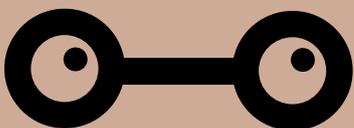
€341,000

off annual fuel bills

Over **11,200**

Households helped

HOW DOES THE COMMUNITY BENEFIT?



THE BUSINESS PLAN

The ECS business plan is based on earning an income from two main sources, solar energy generated and exported to the local electricity grid and government subsidy in the form of Renewable Obligation Certificates.

This income is used to cover:

- Operating costs including service and maintenance, business rates, insurances, administration and a reserve fund to cover future component replacement
- Land rent payments to FGCT
- An annual community benefit payment to PEC
- Repayment of the long-term project finance loan to Plymouth City Council
- Repayment of the PEC Renewables' shareholder loan which is in turn used to pay the intended return to Members as set out in this Offer Document.

ECS's business plan is based on the following key assumptions:

- The total cost of refinancing the completed project (including legal, technical and fundraising costs) will be £4,100,000
- Plymouth City Council will provide a 20 year secured loan facility to meet 70% of the total project costs (£2,870,000), at commercial project finance rates
- PEC Renewables will raise 30% of the total project costs (£1,230,000) in community share capital and provide this through a shareholder loan to ECS.

The terms for that loan have been agreed as:

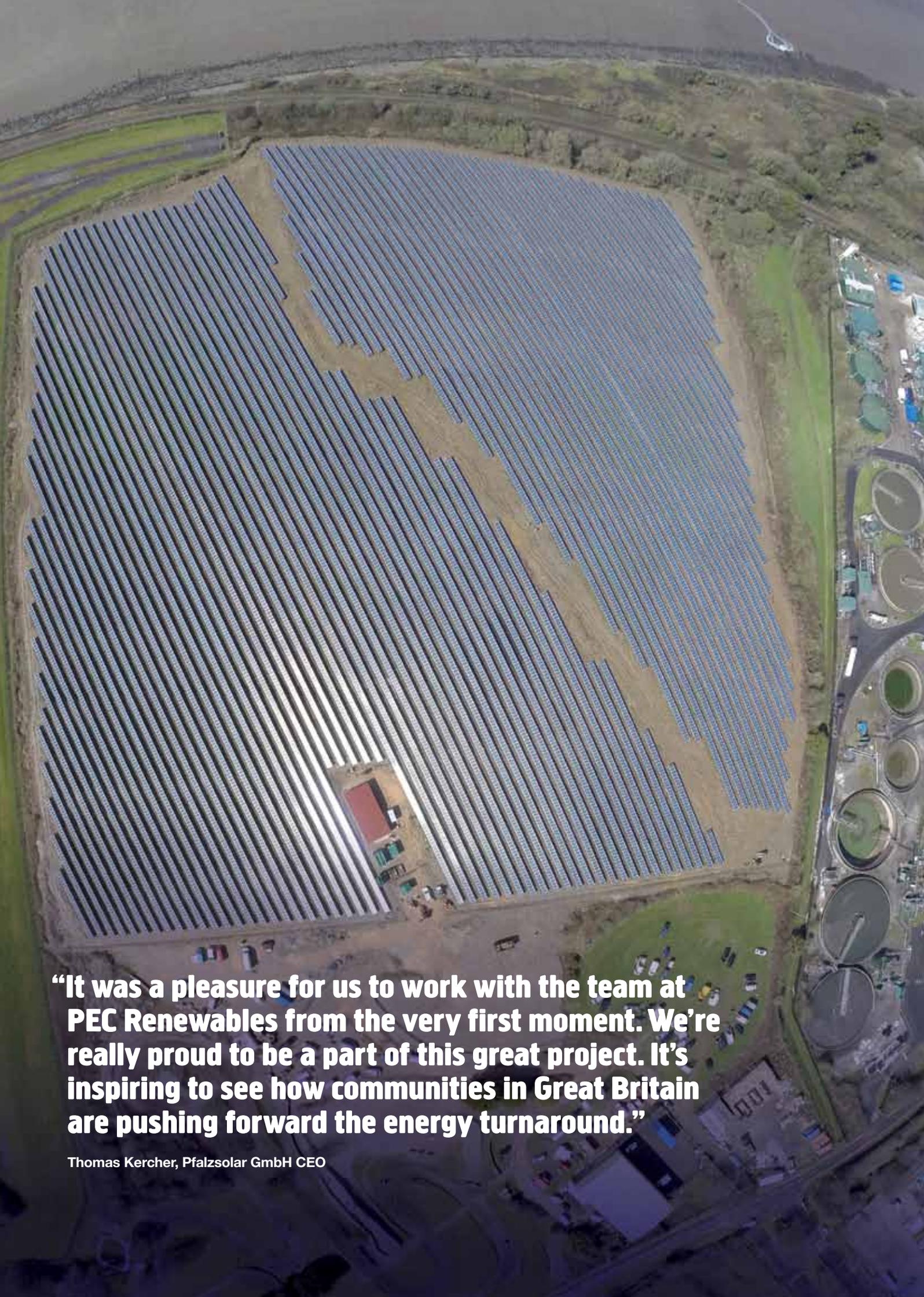
- 20 year term
- Repayment profile – interest only until 2022, repayment of principal from 2023
- 6% interest
- The array was commissioned on the 23rd March 2016 and in accordance with Ofgem guidance is eligible for 1.3 Renewable Obligation Certificates (ROCs) per MWh of electricity generated
- Inflation, as measured by the Retail Price Index, will be at 0% for the next year but, after that, the average assumed is 2.5% per annum
- Income from electricity sales increases in line with government projections
- Degradation in solar panel performance will not exceed 0.4% per year – a figure endorsed by the project's independent technical advisor
- All inverters will require replacing between years 10 and 15. ECS intends to build up a reserve fund to cover the cost of this
- The operation and maintenance contract and insurances protect the business from all reasonable risks including loss of income should the system be offline for an extended period of time.

The array has been constructed with high-quality warranted equipment from the following manufacturers:

- REC (modules with 10 year product warranty and 25 year power output warranty)
- Sungrow (inverters with 10 year warranty)
- CMF (mounting structure with 25 year warranty).

The EPC contract provides industry-standards projections for loss of income if the array does not perform to the designed standards.





“It was a pleasure for us to work with the team at PEC Renewables from the very first moment. We’re really proud to be a part of this great project. It’s inspiring to see how communities in Great Britain are pushing forward the energy turnaround.”

Thomas Kercher, Pfalzsolar GmbH CEO

THE BUSINESS PLAN

ECS projected income and costs

ECS forecasts annual income from electricity sales and associated ROCs of approximately £400,000 and growing from 2017. Annual costs for all operations and maintenance, insurance, administration and management are projected at £112,000 per annum. After operating costs, the repayment of the loan to Plymouth City Council will be the priority, with the debt to PEC Renewables being secondary to this (details of the loan's terms are outlined below).

The ECS business plan has considered a number of different power price and generation performance scenarios. These indicate the potential to achieve 25 year community benefit surpluses ranging from approximately £850,000 to approximately £3,750,000.

Material Contracts

The following contracts underpin the ECS business:

Engineering and Procurement

Contract (EPC) – Pfalzsolar GmbH is contracted to cover the design, supply, installation and commissioning of the solar array. The contract provides for a guaranteed level of minimum performance which, if missed, obliges Pfalzsolar GmbH to pay ECS damages for the first two years of operation. The damages are backed up by a warrant bond provided by Commerzbank AG.

Operation and maintenance (O&M)

Pfalzsolar GmbH has a three year contract with ECS to provide operations and maintenance services for the Plant. The O&M focusses on keeping the Plant in good working order and operational, with a central 'availability' guarantee of 99%. If the Plant is not 'available' to export power to the grid during 99% of sunlight hours throughout the year, the contractor is required to pay damages.

Lease - ECS has the benefit of a 25 year lease with Plymouth City Council which is the freehold owner of the site. The lease allows for the operation of a solar farm, including access and cable rights.

Power Purchase Agreement - To ensure the project has a long-term bankable customer for the electricity generated, a 17 year power purchase agreement is in place with Statkraft Markets GmbH. This contract provides the Directors with a long-term buyer for the electricity and ROCs, and the ability to agree fixed or variable pricing regimes for periods between six months and three years.

Management Services Agreement – ECS has a three year contract with PEC for provision of management and business administration services.

Grid Connection Agreement – ECS has a contract with Western Power Distribution to allow connection of the array to the electricity network and export of energy generated.

These contracts have been prepared for PEC Renewables and ECS with advice from their legal and commercial advisors. The contracts have been subject to legal and technical review and have met the due diligence requirements of Leapfrog Bridge Finance Limited.

ECS is in discussion with other funders with a view to underwriting the Share Offer or securing a junior debt facility (subordinate to the Plymouth City Council loan), in case the full target cannot be achieved. If the full target cannot be reached through either Shares or a combination of Shares and other finance, then there is a risk that PEC Renewables will not be able to enter into the loan agreement with ECS, and then the PEC Renewables Board may return all Share Application monies received.





“The enterprise shown to build this array against the odds is impressive and we are happy to be backing it with a long-term loan arrangement. It turns derelict land into a community-owned asset, generates clean energy and funds projects benefiting the most vulnerable in society. What’s not to like?”

Councillor Tudor Evans, Leader of Plymouth City Council

TRACK RECORD

Since 2014, PEC Renewables has raised £1,450,000 in community shares from over 300 Members. Combined with £1,000,000 in loan facility provided by Plymouth City Council, this capital has been used to install 32 community-owned solar panel installations for 30 schools and local organisations across Plymouth. These installations were all completed by local Devon and Cornwall based contractors and they include the city's largest (366kW) solar roof on the Plymouth Life Centre.

The installations funded by the first share offer were installed between April and November 2014 and those from the second share offer between July 2015 and April 2016. These are now reducing host organisations' electricity bills by approximately £90,000 per year.

As well as the energy, carbon and cost savings generated, the installations also provide educational resources for scientific and mathematical enquiry. Pupils can monitor how much energy their solar roofs are generating via digital displays in reception areas and online interfaces. These web-based displays show electricity generated and equivalent environmental benefits.

Annual community benefit payments are already being made to PEC to support projects addressing fuel poverty and climate change.

The success has earned PEC and PEC Renewables recognition with a number of awards:

- Cabinet Office and NatWest Social Investment Awards 2016 - 'New Social Investors Award'
- Observer Ethical Awards 2015 - 'Community Energy Project'
- Ashoka European Social Innovation Fuel Poverty Award 2015
- UK Social Enterprise Awards 2014 - 'Investment Deal of the Year'
- RegenSW Green Energy Awards 2014 'Best Community Initiative'
- UK Community Energy Awards 2014 'Volunteer of the Year'.

PEC Renewables' financial position

PEC Renewables has published its first audited accounts for the period ended 30th June 2015. At 30th June 2015, PEC Renewables' balance sheet showed net assets of £1,354,669. Cash reserves were £1,445,390. These are available to download at: www.plymouthenergycommunity.com/invest.

In total, the solar photovoltaic installations have a peak generation capacity of 1.865MW and, whilst some installations have only recently been completed, early indications are that they are expected to meet anticipated lifetime performance expectations.

Turnover from electricity sales and feed-in tariff payments from the start of trading in April 2014 to 31st March 2016 was approximately £220,000.

At 31st March 2016 PEC Renewables' management accounts showed net assets of approximately £1,250,000. Cash reserves were approximately £360,000. All of the share capital raised through the previous share offers has now been deployed.

“The fact that Plymouth City Council was actively supporting the scheme through a loan and other professional support gave me particular confidence to invest.”

Sam Daws, PEC Renewables Member



MAP TO SHOW ERNESETTLE COMMUNITY SOLAR ARRAY AND EXISTING COMMUNITY-OWNED SOLAR INSTALLATIONS

- | | |
|--|---|
| 1. ERNESETTLE | 18. Plymouth Science Park (5 Research Way) |
| 2. Boringdon Primary School | 19. Plymouth Science Park (Scott & Raleigh Buildings) |
| 3. Compton Church of England Primary School | 20. Plympton St. Maurice Primary School |
| 4. Dunstone Primary School | 21. Prowell UK |
| 5. Eggbuckland Vale Primary School | 22. Ridgeway School A |
| 6. Glen Park Primary School | 23. Ridgeway School B |
| 7. Heie's School | 24. Salsbury Road Primary School |
| 8. Jan Cutting Healthy Living Centre | 25. Steklnah Mission |
| 9. Marine Academy Primary School | 26. Stoke Damerel Primary School |
| 10. Marine Academy Secondary School | 27. Thornbury Primary School |
| 11. Mary Dean Church of England Primary School | 28. Tor Bridge High |
| 12. Mayflower Community Academy | 29. Tor Bridge Primary School |
| 13. Montpelier Primary School | 30. Victoria Road Primary School |
| 14. Moubatten Watersports Centre | 31. Widey Court Primary School |
| 15. Pennycross Primary School | 32. Woodford Primary School |
| 16. Plaistow Hill Infants School | 33. Yealmpstone Farm Primary School |
| 17. Plymouth Life Centre | |



THE OPPORTUNITY

The primary purpose of PEC Renewables is to install and operate renewable energy generation installations in Plymouth for the benefit of the community. To do this PEC Renewables needs capital. To raise capital, it is able to use some of its income to pay Members a level of interest on their Shares sufficient to attract and retain their capital.

PEC Renewables is seeking to raise £1,230,000 through this Share Offer, to provide a loan to its wholly-owned subsidiary, ECS, towards refinancing the completed Ernesettle solar array.

The Share Offer is open to anyone aged 16 years or over (16 being the minimum age of a Member under the rules).

Individuals and organisations can invest between £50 and £100,000 each in the Society (including previous share offers). Each Member of PEC Renewables will be entitled to one vote in Member decisions, regardless of the amount they subscribe for or the number of Shares they hold.

Should the Share Offer become oversubscribed and PEC Renewables is not able to deploy additional capital raised, applicants may have their investment scaled back. In this case, first priority will go to people residing within Ernesettle, Honicknowle, Manadon and Whitleigh, second priority to people residing within the city of Plymouth, the third to applicants within Devon and Cornwall, and the fourth to all other investors. Applicants for over £20,000 may also have their investment scaled back in order to maximise participation in the Offer.

Based on the business plan approved by the Directors, PEC Renewables intends to pay Members a return of 6% on their capital invested each year for up to 20 years and return Members' capital by the end of 20 years, or earlier as funds allow and subject to the approval of the Board. The first interest payment will be made following the AGM in autumn 2017. At each AGM, the Directors will recommend the level of interest that they hope to pay for the year ahead.

The table to the right sets out the anticipated cash returns per £1,000 subscribed on the basis that the Member leaves their capital in the Society and that it is returned at the end of 20 years.

Shares under this Share Offer are classed as 'Withdrawable Shares', which means that Members can request to withdraw their Shares. The return of Members' capital can be achieved by PEC Renewables purchasing the Shares back from the Members. Members will have the opportunity to apply to have some, or all, of their Shares bought back from year 6 onwards. The Directors intend to repay up to 1/15th of the share capital in each of the 15 years, from years 6 to 20. If requests for Shares to be bought back are oversubscribed (i.e. greater than the amount the Directors deem appropriate to acquire) the amount of capital acquired per Member will be pro-rata'd according to their proportional holdings. If requests for Shares to be bought back are less than the Directors deem appropriate to acquire, then the Board may decide to repay Member capital early on all such requests in a given year.

Estimated Member Returns per £1,000 investment

Amount Invested	£1,000
Total accumulated estimated cash return	£1,780
Estimated IRR	6.0%

Time	Accumulated Member's Interest (£) at 6% per year	Capital repayments	Total cash received during period (£)
Years 1-5	300	-	300
Years 6-10	260	333	593
Years 11-15	160	333	493
Years 16-20	60	333	393
Total	780	1,000	1780

Payment of the Members' interest and repayment of capital is not guaranteed and will be subject to PEC Renewables and ECS earning sufficient operating surplus and having sufficient cash reserves.

These Shares are being issued for the specific purpose of providing a loan to ECS which provides PEC Renewables with the income needed to make payments to Members investing in this Share Offer. The intention is that interest and capital payments to Members investing in this Share Offer will be treated the same as Members investing in previous share offers. The Directors have established Secondary Rules to help provide a framework to enable Member payments to be differentiated in future if necessary, for example, if the installations funded by a Share Offer underperform to the extent that the target Member interest and capital payments cannot be supported.

The Directors of both PEC Renewables and ECS have commissioned financial advisors Francis Clark LLP to assist in the production of financial projections and have provided them with the relevant assumptions upon which the projections are based. The financial projections show that the business (including the intended target community income and Member payments) is viable at the time of the Offer.

Actual results, performance or achievements may differ from those expected due to known or unknown risks, uncertainties and other important factors.

Please refer to the section on key risk factors and their considerations (page 27). We would advise potential Members to seek their own financial advice if they are unsure of whether the opportunity is suitable for them.

Future installations to be funded by future share offers, or an extension of this Share Offer, may include renewable electricity and heat generation technologies other than Solar PV.

Applying for Offer Shares

The Offer is open to individuals, groups, Community Benefit Societies and other legal entities.

PEC Renewables is using Ethex to professionally manage the Share Application and payment process. Ethex is a not-for-profit positive investment and savings platform.

A professional share registrar services provider (Registry Trust Limited) is employed to manage the issue of Share Certificates and ongoing Member relations including Share interest payments, the buy-back and issue of Shares and maintaining a Share Register.

To save costs and paper, PEC Renewables would prefer investors to apply and pay for Shares online. You can pay by cheque or bank transfer at: **www.plymouthenergycommunity.com/invest**. When you click the online shareholding option, you will be directed to the Ethex website to apply for your Shares. Ethex is responsible for managing Share Applications and the payment process.

If you don't have access to the internet, you can fill in the Share Application form at the back of this document and post it with your cheque to Ethex. You will receive acknowledgement of your application.



WHAT'S IN IT FOR ME?

Member and Community Benefits

- **Help generate an estimated £2,900,000 of additional income for PEC to tackle fuel poverty and climate change**
- **Provide an income of £600,000 to FGCT to improve services and opportunities in Ernesettle, Honicknowle, Whitleigh and Manadon**
- **Be part of a multi award-winning community energy organisation**
- **One Member, one vote - all Members have an equal say in decisions put to Members**
- **Members earn a fair return on their capital – intended 6% per year**
- **Inheritance tax exempt - an income earning asset that you can leave to your family.**

INFORMATION ON TAX

Inheritance Tax relief - Once an Investment in the Society has been held for two years, eligible Investors should qualify for 100% Business Property Relief. This means that an Investment will be fully relieved from Inheritance tax, provided the Investment is held at date of death and the company continues to be a qualifying company.

Capital Gains Tax loss relief – If the capital amount returned to Members is less than the amount paid on subscription for the Shares (or no amount is returned) then a capital loss would arise. The capital loss would be available for offset against capital gains of the taxpaying individual, relieving chargeable gains at the prevailing rate of capital gains tax in the tax year of claim for relief.

Individuals should always seek professional advice based upon their own personal circumstances. Nothing in this Document should be read to be tax or investment advice. The information above may be subject to change in the future.

Income Tax treatment of Share Interest received by Members - As PEC Renewables is registered as a Community Benefit Society, any payment to a Member which is not a capital repayment but refers to Share Interest paid is not treated as a distribution for tax purposes, i.e. it is not taxed as a dividend. Payments of this kind, whether described as interest, dividend or bonus, are treated as interest received by the Member.

The Society will not deduct income tax from Member payments unless the Member's usual residence is outside the UK. Members therefore will be required to include the payment received on their personal income tax return for the tax year in which the payment is received and may be required to pay tax at their prevailing marginal rate of income tax, which will depend on their other income in the year.

The Society is required to make a return to HM Revenue and Customs shortly after its year end, providing details of the name and place of residence of each person to whom it has paid more than £15 in that period without the deduction of tax and the amount paid to each person in that period.

Personal Savings Allowance (PSA) - If you are a basic (or 20%) taxpayer, you will be able to earn up to £1,000 interest in a tax year free from income tax. If you are a higher rate (or 40%) tax payer, you will be able to earn up to £500 interest in a tax year free from income tax. The savings allowance will not apply to top rate (or 45% and above) tax payers. This means that if you are earning less than £43,000 of taxable income in the current tax year you will be eligible for the £1,000 tax-free Personal Savings Allowance and if your taxable income is between £43,000 and £150,000 in the current tax year you can receive up to £500 of interest income tax-free.

“For the first time in years my daughter and I haven’t had colds; rather than dreading the winter I’m excited about really feeling the benefits. It’s life-saving.”

Plymouth resident helped by PEC’s energy efficiency programme

GOVERNANCE

Ownership

The Society is owned by its Members on a one Member, one vote basis. The rights of the Members are set out in the Rules.

Regulation

As a Community Benefit Society, the Society is regulated by the FCA. This function of the FCA is distinct from its role as regulator of the financial services industry in the UK. The Society will publish audited accounts each year.

Management and administration of PEC Renewables

PEC Renewables and ECS are professionally managed by PEC through two management service agreements. Plymouth City Council provides a range of staff and business support services to PEC under a three year contract. The management and administrative services agreement includes all aspects of the day-to-day operation of the Society including: bookkeeping, management accounting, annual accounts, audit, annual returns, and Member relations. It covers asset management including installation performance monitoring, host relations and management of contractors and agreements required to operate and maintain the installations.

The Society maintains a Register of Members which will include details of the number of Shares held by a Member and that number of Shares will be reflected in any Share Certificate issued. The Register of Members maintained by the Society is definitive evidence of the number of Shares held by a Member, with any Share Certificate issued providing a statement only of the Shares held in and therefore capital paid and not withdrawn from the Society in accordance with the Rules.

Share Issue administration, Share registrar and ongoing shareholder relations will be managed under contract with Registry Trust Limited, www.registry-trust.org.uk.

The Society Rules are accompanied by Secondary Rules, which provide more detail on a range of governance functions. These are available at www.plymouthenergycommunity.com/invest.

Board of Directors

PEC Renewables is overseen by a non-executive Board of Directors who are responsible for key decision-making of the Society and shall be appointed and governed in accordance with the Rules. Three Directors can be elected by Members in accordance with the Rules, together with up to two additional Directors nominated and appointed by PEC. The Board may co-opt up to two further Directors with relevant skills and qualifications. The Directors will bear ultimate responsibility to the Members.

Director remuneration and disclosures

Director time is provided on an unpaid basis, but Directors may be reimbursed for reasonable out-of-pocket expenses. In addition to investing their time free of charge, some of the Directors may take up Shares from this Offer.

None of the Directors listed here, for at least the past three years, received any convictions (for any fraudulent offence or otherwise), or have been involved in any bankruptcies, receiverships or liquidations, or received any public recrimination or sanction by a statutory or regulatory authority or designated professional body, or have been disqualified from any function by any court.

The Board is currently made up of six Directors.

BOARD MEMBERS



Dave Garland - Chair

A founder member of PEC and currently Chair of PEC Renewables, Dave is a physicist with over three decades of experience in secondary education. He retired as Deputy Headteacher and School Business Manager at saltash.net

community school in 2011 and holds a Microsoft Innovative Teachers Lifetime award.

Involved in a number of voluntary activities, Dave is on the Board of Saltash Multi Academy Regional Trust and has had many years' experience of school governance. He also sits on the Plymouth Independent School Appeals Panel.



David Madge

David retired from HSBC Bank plc in 2014 after a career of over 40 years in banking. He has worked in locations throughout Devon and Cornwall and in his final role was a relationship manager based in the Commercial Centre in

Plymouth. His responsibilities included the management of a portfolio of businesses with an annual sales turnover of up to £30,000,000.

David is a Trustee and Governor of Ivybridge Academy Trust and currently chairs the Finance Committee. David was co-opted to the PEC Renewables Board in 2015. He is also a Director of Ernesettle Community Solar Ltd.



Lee Richards

Lee is Regen SW's onshore renewables lead and manages work within the large-scale onshore renewables, microgeneration and built environment sectors. He has nine years' experience in the renewables industry and has

developed the capabilities of businesses and communities to deploy more renewable and energy efficiency technologies.

Lee has extensive knowledge of sustainable energy and low-carbon policy, legislation, supply chain and technical development and deployment. Lee helped to develop and manage the £6,300,000 Ready for Retrofit programme, one of the UK's largest European Regional Development Fund business support programmes, installing over 1700 domestic energy efficiency technologies.

Lee is from Plymouth and has lived in the area for most of his life. A keen advocate of developing the low-carbon economy, he wants the city to lead in community-led renewable energy initiatives. He was co-opted to the PEC Renewables Board in 2015 and is also a Director of Ernesettle Community Solar Ltd.



Daniel Shelton

A resident of Plymouth since 2008, Danny has a Masters' degree in Sustainable Environmental Management from Plymouth University.

He works as the Environmental Performance Officer for Plymouth Community Homes; a housing association which manages the largest housing stock in Plymouth and has established extensive retrofit and Solar PV programmes. He aims to reduce the environmental impacts of the organisation and ensure compliance with environmental legislation. He is focused on embedding sustainability within organisations and promoting partnership working between different groups.

Danny has a strong interest in helping to develop the low-carbon economy in Plymouth and would like to see the city become a leader in this area and in renewable energy generation. Danny has been a Director on the PEC Renewables Board since 2015, having been nominated by the PEC Board.



Chris Penberthy

Councillor Chris Penberthy (Labour and Co-operative, St Peter and the Waterfront) has been a member of Plymouth City Council's Cabinet for the past four years. His portfolio has included housing, social enterprise

development and support, community safety, neighbourhood working, child poverty, welfare policy and financial inclusion.

Chris has spent most of his working life in charities including as Chief Executive of Volunteer Development England. He was awarded a fellowship of the Royal Society of Arts in recognition of his contribution to the voluntary and community sector.

Chris has held a variety of trusteeships and directorships in charities and social enterprises. He currently holds the Chair of Plymouth Fairtrade Network, Millfields Inspired and the South West Council of the Co-operative Party. He has been appointed by Plymouth City Council to the Boards of the Millfields Community Economic Development Trust CIC, Plymouth Energy Community and Plymouth Municipal Charities. Chris is a Governor of Plymouth College of Art and is also Vice Chair of the Co-operative Councils Innovation Network and Chair of its Values and Principles Board.

Chris has been a Member-elected Director of PEC Renewables since 2014 and became a Director of Ernesettle Community Solar Ltd in 2015.



Tracey Sherston

Tracey is from Plymouth and has lived in the city all of her life. She is a senior finance manager at Plymouth Community Homes with over 15 years' experience in finance for both the public and private sectors in addition to 10 years' banking experience.

Tracey has strong financial knowledge and skills, and is CIMA certified. Tracey supports both PEC and PEC Renewables in providing Director-level oversight in the financial operations of the business. Tracey is enthusiastic in supporting such a positive and forward-thinking initiative for Plymouth and its residents. Tracey acts as representative for Plymouth Community Homes, and is a Member-elected Director on the PEC Renewables Board, as well as being Company Secretary.

“I am 86 years of age, and through all those years I have never known such generosity. There are not enough words in the dictionary to express my thanks.”

Plymouth resident helped by PEC's Energy Team

“This allowed us to make an investment that benefits the local community and contributes in a small way to combatting global climate change.”

John & Penny Knowles, PEC Renewables' Members



KEY RISKS OF THE OFFER

All investment and commercial activities carry risk. Therefore prospective Members should consider whether the Offer Shares are a suitable investment for them in light of their own personal circumstances, take appropriate advice and make their own risk assessment. Supporting the community purpose of PEC Renewables should be the primary motivation for investment and investment in the Society should be seen as a long-term social and environmental investment. An investment in PEC Renewables is an investment in a trading business and is not a loan or deposit. Depending on the personal circumstances of the prospective Member and the proportion of assets they are considering investing, it may be inappropriate to invest savings in PEC Renewables.

In addition to the usual risks associated with an investment in a business, the Directors believe that the specific risks referred to below as well as other information in this Document should be considered carefully before acquiring Offer Shares. Prospective Members are advised to consult a suitably authorised independent adviser who specialises in advising on investments of this kind.

If any of the risks described in this Document actually occur, the Society may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, among other things, its ability to redeem the Offer Shares and/or pay interest to Members will be affected.

No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

Additional risks and uncertainties may also have an adverse effect on the Society's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Society. There may be additional risks of which the Directors are not aware.

Risks relating to the legal structure of PEC Renewables

- Members may not get back the amount invested if the Society does not achieve the financial performance forecasted at the time of the Offer. The value of the Shares will not increase and may decrease
- The target share Interest rate may not be achieved if the Society does not achieve the financial performance forecasted at the time of the Offer. The intention is to pay the target share Interest rate subject to the conditions set out in the Rules
- Shares are not transferable and will not be traded on a recognised stock exchange or otherwise. However, Members may be able to sell their Shares back to the Society (and the Society may issue new Shares to new Members) subject to the constraints set out below and in the Rules
- Shares can only be withdrawn or returned in accordance with the Rules and the ability to withdraw Shares can be suspended at the sole discretion of the Board (even if a notice of withdrawal has already been submitted to the Society). If the Society lacks

sufficient cash to enable Shares to be withdrawn when desired, withdrawal may be delayed, or not possible. Investment in the Shares should be seen as a long-term proposition

- Successful applicants will become Members of the Society and thereby own the Society. If the Society is unable to meet its debts and other liabilities, Members could lose up to the whole amount held in Shares (but no more than that amount)
- Investments in Community Benefit Societies are not like deposits at a bank. Neither the Financial Services Compensation Scheme, which applies to bank accounts, nor the Financial Ombudsman Service apply, nor is the Society subject to prudential supervision by the FCA.

General investment risks

- Adverse changes in the marketplace (e.g. relating to the actions of other participants, changes to governmental or European regulations or changes to prices or other market conditions) could adversely affect the Society's viability and financial performance
- Changes in laws, regulations, government policy or applicable UK tax arrangements (including any changes to bases of taxation, tax relief and rates of tax) may affect the Society and the attractiveness of an investment in a Society. The Society cannot predict the impact of future legislative or regulatory change to its business. However, the introduction of new legislation, amendment of existing legislation, developments in relevant common law or the interpretation of these laws could have a materially adverse effect on the Society.

In addition, if the amount and complexity of new regulation increases, so too may the cost of compliance and the risk of non-compliance

- The Society's business may be affected adversely by changes in economic, political, administrative or other regulatory forces
- Information, opinions and quotations in the Document are as at the date of writing and may change without notice. We are under no obligation to ensure that such updates are brought to the attention of any recipient of this Document
- This Document has been prepared on the basis of current legislation, Rules and practice and the Directors' interpretation thereof.

Energy and renewable energy industry risks

- Operation and maintenance costs may be higher than expected. However, the financial projections are based on the current three year Pflazsolar GmbH O&M contract price which is considered a reasonable basis for future costs
- Future electricity prices may differ from the assumptions used in the financial projections (which the Directors considered to be reasonable at the time of the Offer). The embedded benefits element of power prices are currently under review by Ofgem and therefore these have not been included in the base case financial projection
- Solar PV panel performance projections are based on methodologies commonly used by the industry. These calculations and the solar irradiation data behind them have been produced by independent technical experts used for Leapfrog Bridge Finance Limited's due diligence. However, long-term changes to weather patterns and/or equipment underperformance may result in lower levels of electricity generation and therefore income
- Abnormal weather conditions could affect expected levels of electricity generation and therefore income in the short-term

- Although modern solar PV panels are reliable, technical failure of Plant components can interrupt the generation of electricity and lead to unexpected costs. Manufacturer warranties and guarantees, and regular servicing, provide some protection. In addition, a component replacement reserve will be built up by ECS. The size of the proposed reserve fund has been recommended by the technical advisor
- The companies who provide warranties and guarantees in respect of the Plant and equipment may default or may not have sufficient resources to support their obligations. In this case, PEC Renewables would need to incur higher costs in rectifying any issues that would otherwise have been rectified under those warranties and guarantees
- It is considered that the project is eligible for 1.3 ROCs and that these will be grandfathered for 20 years from the point of accreditation. The application to receive ROCs is currently being considered by Ofgem. The ECS Directors and the legal advisors used for Leapfrog Bridge Finance Limited's due diligence consider that the 'grace period' criteria in the Government's recent consultation documents on ROCs have been met. However, Government policy towards renewable energy may change which could result in a reduction in the forecast subsidy income from ROCs.

Financial risks

- Financial projections - The Directors of PEC Renewables and ECS have commissioned financial advisors Francis Clark LLP to assist in the production of financial projections and provided them with assumptions upon which the projections are based. The financial projections show that the business (including the intended target community income and Member payments) is viable at the time of the Offer. Actual results, performance or achievements may differ from those expected due to known or unknown risks, uncertainties and other important factors

- Inflation may be different to that assumed in the financial projections
- Electricity prices - The level of income that will be received from the sale of electricity by ECS will be subject to changes in the electricity market and may go up or down
- Government policy towards renewable energy may change which could result in a reduction in the forecast subsidy income through the ROCs
- Renewable Obligation Certification Accreditation - There is a risk that ECS subsidy income is late due to delays in Ofgem finalising the accreditation. Whilst these ROC payments would be backdated this may create cash flow concerns that would need to be managed through discussion with the senior debt provider.

Risks in relation to the Offer

- If the full target cannot be reached either through Shares or a combination of Shares and other finance, then there is a risk that PEC Renewables will not be able to enter into the loan agreement with ECS, and then the PEC Renewables Board may return all Share Application monies received.

TERMS AND CONDITIONS OF THE OFFER

Eligibility

The Offer is open to anyone of 16 years of age or over (16 being the minimum age of a Member under the Rules).

The Offer is also open to eligible organisations. Rule 13 states that: *“The Board may at its absolute discretion admit to Membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of the Society and who has paid or agreed to pay any subscription or other sum due in respect of Membership for the time being in force.”*

Minimum and maximum holdings and pricing

The minimum number of Offer Shares which can be applied for under this Offer is 50. The maximum shareholding per Member (for any person other than another Community Benefit Society) in the Society is 100,000. This maximum holding includes Shares purchased under PEC Renewables Limited's previous Offers. Each Offer Share costs £1.

Commitment on Application

Applications and payments can be submitted by following the Application procedure set out in Appendix A. By delivering an Application an Applicant offers to subscribe on the Terms and Conditions contained in this Document for the number of Offer Shares specified, or such lesser number of Offer Shares as may be allocated by the Board in the event of an oversubscribed Offer.

An Applicant who receives Shares agrees to Membership of the Society and to be bound by its Rules. Once an Application has been made it cannot be withdrawn by the Applicant. This Document is the only market offering in respect of the Offer Shares.

Commitments by Applicants

Each Applicant, on submitting an Application Form, confirms that he/ she/it:

- Meet the eligibility criteria
- Is not (unless it is a Community Benefit Society) making Applications for a total of more than 100,000 Offer Shares in the Society
- Is not relying on any information or representation in relation to the Offer Shares, the Society, or its activities which is not included in this Document
- Will provide all additional information and documentation reasonably requested by the Society in connection with their Application, including as may be required to meet applicable taxation, money laundering or other legislation.

Any person signing an Application Form on behalf of another person undertakes that they are duly authorised to do so and must provide a copy of the authority under which they have signed it upon submitting the Application.

Offer timetable

The Offer timetable is set out in the opening pages of this Offer Document.

Procedures on receipt of Applications

Application Monies from an Applicant must be paid in full on submitting an Application.

Cheques (and alternative means of payment) may be presented on receipt and may be rejected if they do not clear on first presentation. Surplus Application Monies may be retained pending clearance of all Applicants' cheques.

The Society will use reasonable endeavours to return Application Monies in respect of all unsuccessful Applications (or in respect of the proportion of an Application which is unsuccessful in the event of an oversubscribed Offer) to Applicants within 4 weeks of the Close following the Application. The Offer will be closed at the end of the Offer Period, and may be reduced or extended at the discretion of the Directors.

When Application Monies (or any part thereof) are returned by the Society to Applicants they may be made by bank transfer, where the Applicant has supplied appropriate account details, or by crossed cheque, payable to the Applicant, sent to the postal address on the Application Form. Any such payments so transmitted shall be transmitted at the risk of the Applicants.

Applications may be rejected in whole, or in part, or be scaled down, by the Board without reasons being given. Incomplete or inaccurate Application Forms may be accepted as if complete and accurate.

Multiple Applications from the same Applicant will be allowed providing that they would not, if accepted, result in a Member (other than an Community Benefit Society) holding more than the limit of 100,000 Offer Shares in the Society.

The Society reserves the right not to enter into correspondence with Applicants pending the issue of Share Certificates or the return of Application Monies.

The Offer is a single Offer for the market as a whole and tranches of Offer Shares are not reserved for any category of Subscriber, save that Priority Applications will be given priority when determining successful Applicants where the Offer is oversubscribed.

In case of oversubscription

If Applications are received for an amount that exceeds the Maximum Amount to be raised through the Offer, the Directors reserve the right to scale down and/or reject some Applications. If this is necessary, priority will then be given to Applications from individuals or organisations based on the following geographic areas:

1st priority

Ernesettle, Whitleigh, Honicknowle and Manadon

2nd priority

Plymouth

3rd priority

Devon and Cornwall

If the Offer becomes oversubscribed by Priority Applications, such Priority Applications may also be proportionately scaled down within priority classes. However, shareholdings in respect of Priority Applications of £500 or less will not be scaled down.

In addition, members investing over £20,000 may also have their investments scaled back at the discretion of the Board.

Finalising the Offer

The Directors intend to publish details about progress, and whether the Offer Shares applied for have reached the Maximum Equity Shareholding, online at www.plymouthenergycommunity.com/invest.

The Society shall have no liability to pay any interest on such Application Monies either until they are applied in paying up Offer Shares or until they are returned. While Application Monies are being so held, the Society undertakes to Applicants not to use such funds until such time that they are confirmed by the Board.

The Society intends to issue welcoming letters and Share Certificates to successful Applicants within one month of notification of the allotment and issue of Offer Shares.

The Board will not approve any Share transfers or withdrawals (each in accordance with the Rules) prior to the issue of Share Certificates.

Consequences if the Offer is unsuccessful

If either the target cannot be reached through Shares or a combination of Shares and other finance, or the Board considers that for these or any other reason it is not likely to be able to proceed with the business plan, Application Monies will be returned to the Applicants in full.

Governing Law

This Document and the Terms and Conditions and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and the courts of England shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Document or the Terms and Conditions or their subject matter or formation (including non-contractual disputes or claims).

“Four Greens are excited to be involved; being able to generate green energy and receive an income to reinvest in our community is fantastic.”

**Dave Vear, Chairman,
Four Greens Community Trust**

APPENDIX A: APPLICATION GUIDANCE

Introduction

These notes are designed to help you. Before completing the Application Form you should consider taking appropriate financial or other advice, particularly in relation to any aspect of the Document which is not clear to you. Your attention is particularly drawn to:

- The Risk Factors set out in this Document which describe risks relating to an investment in the Offer Shares
- The Terms and Conditions of the Offer set out in this Document. By completing the Application Form you will make an irrevocable Offer which may be accepted by the Society and
- The Rules of the Society available on www.plymouthenergycommunity.com/invest, because by subscribing for Offer Shares you may become a Member of the Society and be bound by those Rules.

Applying for Offer Shares

Subject to the Terms and Conditions, an Application is considered to be validly submitted when the Society has received both the Application Form and the Application Monies which relate to it.

Amount to subscribe

The price of each Offer Share is £1. You should decide how many Offer Shares you want to subscribe for and put that number in the relevant box in the Application Form. The minimum number of Offer Shares you can apply for is 50. The maximum number of Offer Shares you can apply for in the Society (including previous Share Offers) is 100,000 (except for investment by other Community Benefit Societies). This is determined by law applicable to Community Benefit Societies. Any annual interest payments (and any other distributions) will be

based on the number of Shares you hold, and you will have one vote, regardless of the number of Shares you hold.

Personal details

You may apply as an individual, or as long as you are duly authorised, on behalf of an organisation, Community Benefit Society or other legal entity. In accordance with the Rules, individuals under the age of 16 cannot become Members.

Payment

You should make payment for the exact amount shown in the box under 'Amount to invest' in the Application. If there is a discrepancy between the amount shown in that box and the amount presented for payment, we may at our discretion accept your Application for Offer Shares up to the value of your cleared payment, or reject your Application without further communication. There are a number of payment options for online applications which are explained on the website. If you apply by completing the postal Application Form attached to this Document we can only accept payment by cheque.

Priority Application

The number of Offer Shares you apply for will not necessarily be the number of Shares you will receive. If the Offer is oversubscribed your Application may be scaled down, or even rejected in its entirety. All eligible Applications are welcome, but in the event that the Offer is oversubscribed, the Directors will endeavour to give priority in accordance with the stated priority categories set out in the Terms and Conditions.

Declaration

In signing the Application Form or in submitting an Application online, as an individual, you are personally making an irrevocable Offer to enter into a contract to subscribe for Offer Shares with the Society, subject to the Terms and Conditions. If you are signing on behalf of another individual or on behalf of another legal person (such as an organisation), you are confirming absolutely that this is in accordance with due explicit authorisation for you to commit that other individual or person (such as an organisation) to a contract to subscribe for Offer Shares in the Society. Under Money Laundering Regulations 2007, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so as requested.

SHARE APPLICATION FORM

To save costs and paper, PEC Renewables would prefer investors to apply and pay for Shares online and you can pay by cheque, or bank transfer. If you are able to do so please apply online at: www.plymouthenergycommunity.com/invest.

Once you have clicked the online investment option you will be directed to register on the Ethex website, which is the investment platform used to manage Share Applications and the payment process.

If you wish to apply by post, please cut out the Application Form on the next page and post it to Ethex, The Old Music Hall, Cowley Road, Oxford OX4 1JE, making a payment by cheque payable to Ethex Investment Club Limited. You will receive acknowledgement of your application.

Words and expressions defined in the Document shall have the same meaning when used in this Application Form.

IMPORTANT. BEFORE COMPLETING YOU MUST:

Read the Share Offer Document in full

Pay special attention to the Risk Factors set out on pages 27-28 of the Share Offer Document

Consider whether you need to take financial or other advice in relation to the Document and your prospective shareholding

Read the Rules of the Society available at www.plymouthenergycommunity.com/invest (if you do not have internet access, contact PEC Renewables via the details specified on the back page of this Document)

PLEASE USE CAPITALS AND DARK INK

APPENDIX B: SHARE APPLICATION FORM

Amount to invest

I wish/my organisation wishes to invest a total amount of £
in Offer Shares in PEC Renewables Limited on the Terms and Conditions set out in the Document at the price of £1.00 per Offer Share.

You may invest not less than £50.00 and not more than £100,000 (please refer to Terms and Conditions on maximum holding per Member). If applying using this Form we can only accept payment by cheque made payable to Ethex Investment Club Limited. The cheque must be included with the Application Form.

Applicant details

Title (Please circle): Mr / Mrs / Ms / Other

Forenames: Surname:

Date of birth:

Address:

Postcode:

Previous address (if Applicant has lived for less than 3 years at the current address):

Postcode:

Daytime telephone: Email address:

We prefer to save paper as far as possible by communicating electronically.
Please tick if:

You are willing to receive future communications solely by email

You are willing to receive any future distributions by bank transfer

If so, Account Name:

A/C No.: Sort Code:

Applicant details

If Applicant is an organisation, show their address above and provide the following details:

Organisation name:

Type of organisation:

Registration number:

Your role (as authorised signatory) in the organisation:

SHARE APPLICATION FORM



Declaration

I understand that the payment supporting this Application will be presented upon receipt and I warrant that it will be paid on first presentation.

I understand that my Application will be handled by Ethex and that Ethex may need to contact me for further information to be able to complete my order.

I understand that:

- This Application may be withdrawn if a supplementary Document is issued, but not otherwise and if and when accepted by the Society forms a contract subject to English law on the Terms and Conditions of the Document
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole; and that
- If insufficient funds are raised by the Offer, my shareholding may be returned.

I confirm that:

- I have read the Document, including the Risk Factors, the Rules and the Guidance Notes to this Application Form and am not relying on any information or representation in relation to the Offer which is not included in the Document
- I am 16 years of age or over and the Applicant meets the Offer eligibility criteria
- I am responsible for obtaining any financial and tax advice concerning this Offer and I have not relied on the Society or its advisers for any such advice
- The Society is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application
- The Applicant is not (unless a Community Benefit Society) making an Application or multiple Applications for a total of more than 100,000 Shares in the Society
- The Applicant will provide any additional information on request from the Society in connection with this Application (including any information to provide the Society with satisfactory evidence of your identity)
- If signing this Application on behalf of any person/organisation, I have their explicit authority and
- I understand if my Application is successful I will become a Member of the Society and agree to be bound by its rules.

Signature:

Date:

Please send your completed Application Form and cheque (made payable to Ethex Investment Club Limited) to:
Ethex, The Old Music Hall, Cowley Road, Oxford OX4 1JE.

Plymouth Energy
community



YOUR CHANCE TO INVEST IN PLYMOUTH'S ENERGY FUTURE

www.plymouthenergycommunity.com



PEC Renewables Limited

c/o Low Carbon Team, Plymouth City Council,
Floor 2, Ballard House, Plymouth, PL1 3BJ

General Enquiries: 01752 477 117

Investment Enquiries: 01752 477 550

Email us: support@plymouthenergycommunity.com

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