



SCEES

SWANSEA COMMUNITY ENERGY & ENTERPRISE SCHEME



COMMUNITY SHARE OFFER

CREATING A BETTER A FUTURE FOR EVERYONE

SHARE OFFER CLOSSES 12 NOON ON 16TH DECEMBER 2016

www.swanseacommunityenergy.org.uk

Swansea Community Energy & Enterprise Scheme Ltd Board of Directors has written this Share Offer Document to the best of its ability with the support it has had available at the time. An investment in this Offer carries risk and prospective members should read through this document carefully. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a financial or other professional adviser.

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CHAIR'S WELCOME

As Chair of Swansea Community Energy & Enterprise Scheme (SCEES) Ltd I am delighted to introduce you to our first community share offer which will fund 10 solar energy installations in Swansea. I got involved with the scheme as I am a passionate advocate of renewable energy and supporting community development in my local area. I have seen the positive affect that community energy schemes have had in other areas of Wales and the UK and am delighted to have been part of our excellent team and supportive partners and who have brought some of these benefits to Swansea.

SCEES is a new and unique community-owned renewable energy company which was established by our local council (Swansea Council), but now run independently by a group of Directors from the local area. Our aim is to offer secure ethical investments in renewable energy projects and use profits from each scheme to support some of the poorest communities in Swansea.

During August and September 2016 we installed solar PV panels on 9 schools and 1 care home in and around the wards of Townhill and Penderry in Swansea. We are already providing cleaner and more affordable electricity for each of the building hosts as well as a valuable educational resource for the local community.

We are now running a community share offer aiming to raise £425,000 to pay off a short-term construction loan from Robert Owen Community Banking. We invite you to become a member of SCEES by investing in our scheme. Using income secured from Feed-in Tariff (FIT) payments, Export Tariff payments and the sale of some of the electricity on-site. We will offer investors a projected 6% annual rate of interest, with most of the profits going into a Community Benefit Fund. We anticipate this fund will generate over £500,000 during the lifetime of the project to support the growth of renewable energy and enterprise development in the local community.

Withdrawable shares in SCEES are valued at £1 each and you may invest from as little as £50 if you are a resident in the City & County of Swansea (£250 outside of Swansea). By purchasing shares you will be participating in co-operative ownership of local renewable energy; have an equal say in how SCEES is run; help decide how funds are spent in the local community; help reduce the impact of climate change.

Our Share Offer launches on 7th November 2016 and it will close at **12 noon on 16th December 2016**. We hope that you are excited about what we have achieved so far and we look forward to receiving your application and welcoming you as a member of SCEES.

Yours faithfully,



Gareth Tucker,

Chair of Swansea Community Energy & Enterprise Ltd.



SHARE OFFER SUMMARY



SHARE OFFER RAISE
£425,000



1440
SOLAR PANELS

360 kWp
INSTALLED IN
2016



CLEAN
ENERGY
FOR
9 SCHOOLS AND
1 CARE HOME
IN SWANSEA



£50*
MINIMUM
INVESTMENT



£500k+
COMMUNITY
BENEFIT
FUND



6% PROJECTED RETURN

ONE MEMBER,
ONE VOTE



£100k

£

LOCAL COUNCIL
INVESTMENT

* £250 OUTSIDE THE CITY & COUNTY OF SWANSEA

ABOUT SCEES

WHAT IS SCEES?

Swansea Community Energy & Enterprise Scheme (SCEES) is a Community Benefit Society set up in September 2015 to fund and manage community-owned renewable energy installations in the City & County of Swansea.

SCEES is unlike most other community energy groups in that we were set up by our local Council (Swansea Council) and operate in some of the poorest areas in Wales.

A small group of local residents and professionals came together to form our Board and have delivered our first scheme with support from the Council and Welsh Government's Local Energy Programme.

PROGRESS SO FAR

Exactly 12 months since our inception, we were able to celebrate the **installation of solar panels on 10 public buildings in Swansea** during August and September 2016. We will provide cheaper electricity to host sites and will receive a long term Feed-in Tariff subsidy for the electricity generated. To fund the installations we secured a short-term loan from ethical Welsh investor, Robert Owen Community Banking.

We are now running a community share offer to enable people to invest in the scheme. We are looking to raise £425,000 with a projected 6% annual rate of interest. Most of the profits from the scheme will go into a community benefit fund, with a small fund set-aside to develop new projects.

WHAT WE AIM TO DO?

Renewable energy is an underutilised resource in large parts of Swansea, particularly in its poorest communities. SCEES aims to change this by taking advantage of exciting opportunities across the City and surrounding areas.

We will do this by supporting local communities to create wealth from local renewable energy projects and the generation of cheaper, cleaner electricity. We will look to use our projects to raise awareness of energy issues, provide a sense of ownership and use the profits (our Community Benefit Fund) to promote skills, enterprise, economic growth and job creation in the local area.



RAISING AWARENESS
OF ENERGY ISSUES



PROVIDING A SENSE OF
OWNERSHIP FOR THE
SCHEME

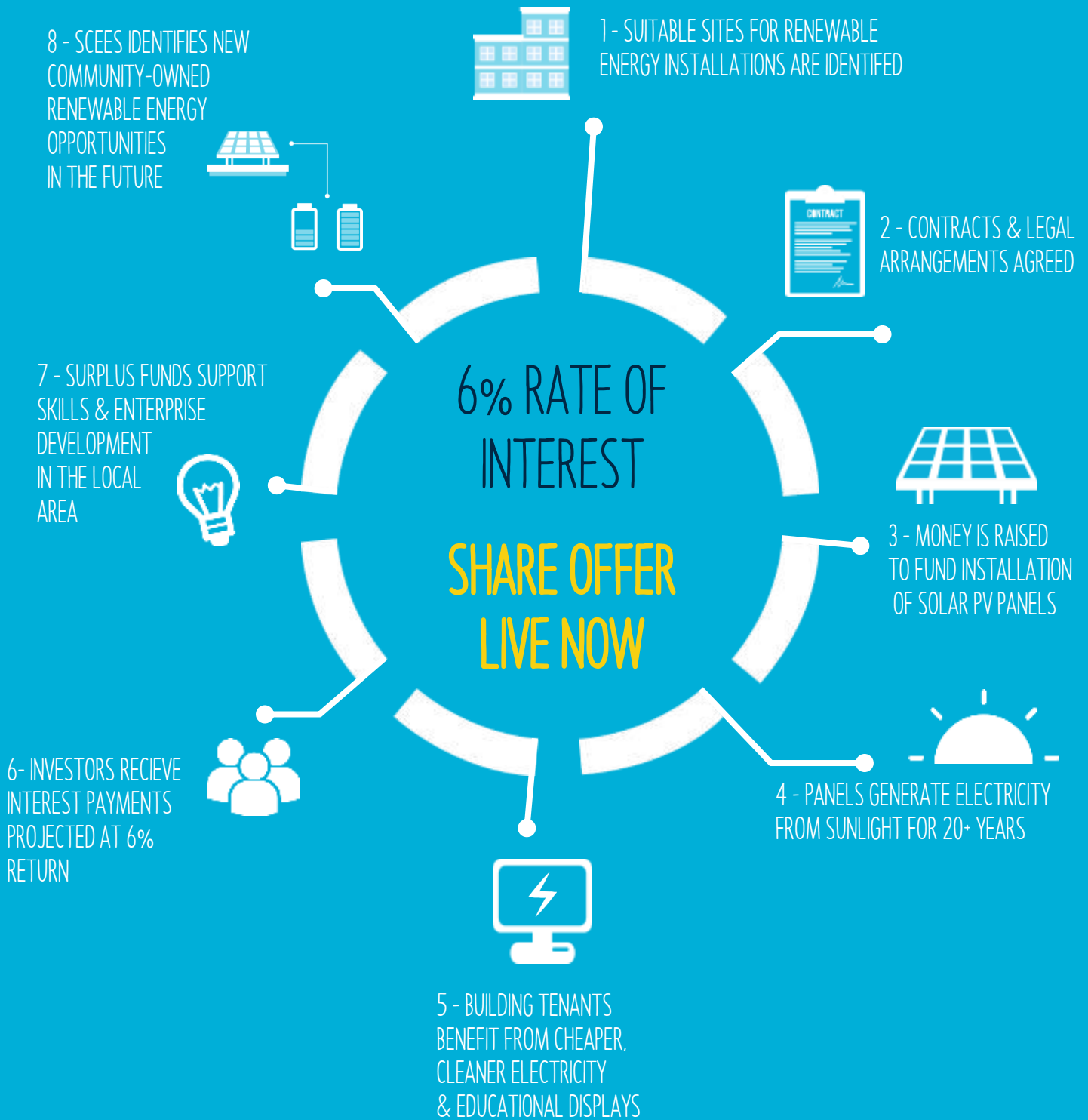


BUILDING CAPACITY,
CREDIBILITY AND
CONFIDENCE BOTH
WITHIN THE GROUP
AND IN THE
COMMUNITY



ENCOURAGING LOCAL
PEOPLE TO WORK
TOGETHER TO ACHIEVE
SOMETHING FOR THEIR
COMMUNITY

HOW THE SCHEME WORKS?



OUR FIRST PROJECT

WHAT WE HAVE ACHIEVED

To date, we have put into place legal contracts and secured a £400k short-term loan. We have used this to install 1440 solar panels on buildings owned by the local council; these are 9 schools and 1 care home in and around the wards of Penderry and Townhill. These are already providing 360kWp of cleaner and more affordable electricity.

We have now launched our community share offer to enable people to invest in the scheme.

INSTALLATIONS

Installations took place over the summer holiday of 2016 prior to our Feed-in Tariff (FiT) deadline of 27th September 2016. The panels will provide renewable energy for over 20 years and significantly reduce each site's energy bills.

They are currently being fitted with educational displays units enabling pupils, staff and parents the chance to monitor how the systems are performing.

INCOME STREAMS

SCEES will generate income from three primary sources. These are:

Feed-in Tariff (FiT) Payments - for each unit of electricity generated (11.85p/kWh linked to inflation)

Export Tariff Payments - for each unit of surplus electricity sold back to the grid (4.91p/kWh linked to inflation)

Power Purchase Agreement (PPA) - a 20 year agreement which sets out a rate payable by each site for on-site usage of the electricity generated. The rate has been set at half way between the export tariff and the retail unit price of electricity (reviewed annually). This guarantees a saving for each site and also helps to maximise the community benefit fund.

COMMUNITY BENEFIT FUND

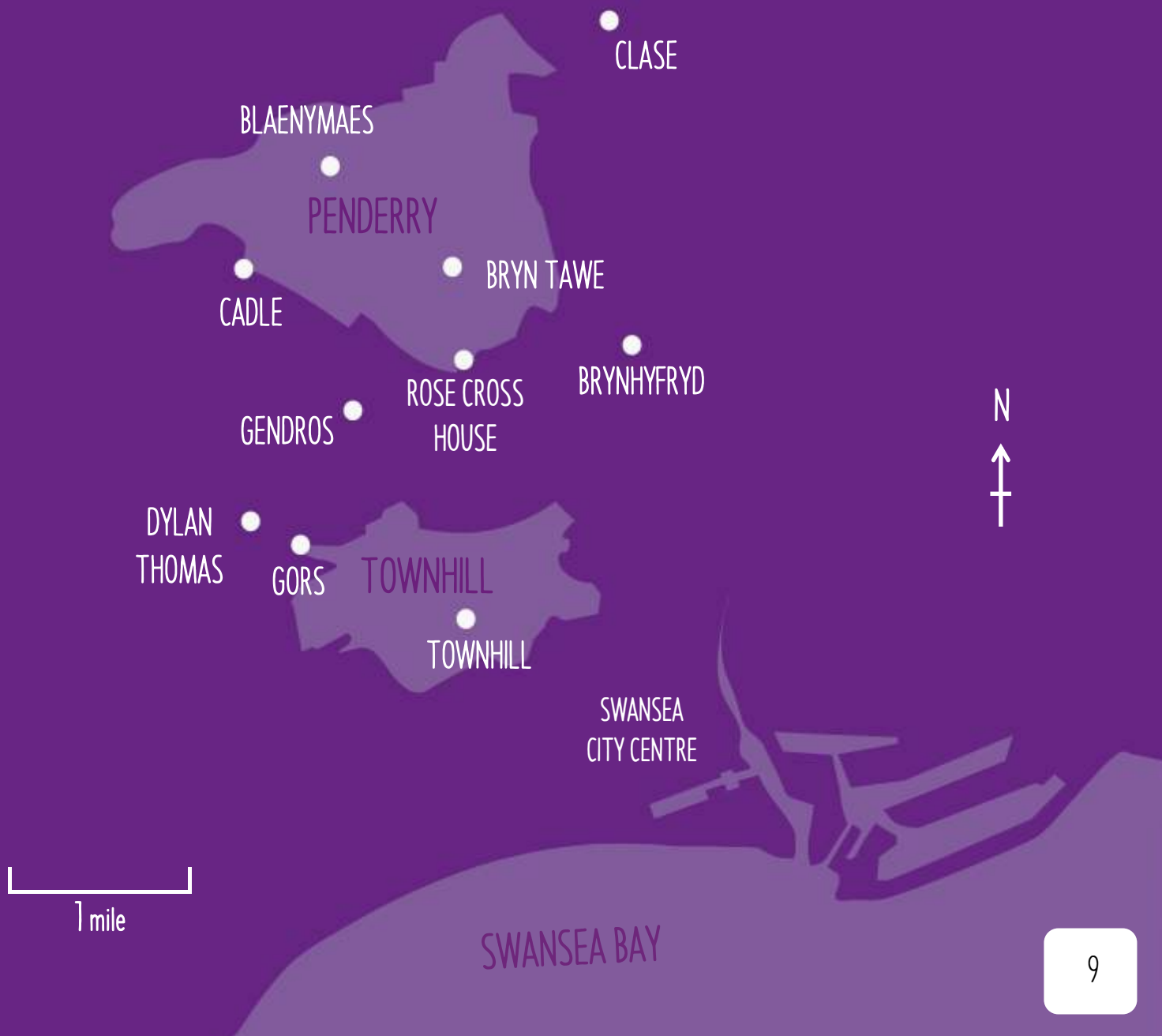
SCEES will use funds that it generates from its projects to fund skills and enterprise development in some of the poorest parts of Swansea. We anticipate that we'll generate a community benefit fund of over £500k during the lifetime of the project. As per the Rules of our Society, the distribution of profits will be agreed at each AGM by our members.



OUR SITES

Location	Capacity*	Location	Capacity*
YSGOL GYFUN GYMRAEG BRYN TAWE	50	DYLAN THOMAS COMMUNITY SCHOOL	50
TOWNHILL COMMUNITY PRIMARY SCHOOL	40	CLASE PRIMARY SCHOOL	40
GORS COMMUNITY PRIMARY SCHOOL	50	CADLE PRIMARY SCHOOL	20
ROSE CROSS HOUSE	30	GENDROS PRIMARY SCHOOL	30
BLAENYMAES PRIMARY SCHOOL	30	BRYNHYFRYD PRIMARY SCHOOL	20

*Capacity is represented in kWp



THE INVESTMENT

RETURN ON INVESTMENT (ROI)

As a community benefit society, SCEES is able to pay interest to Members on their shareholdings at a rate sufficient to obtain and retain the capital required to carry out its objects and meet its requirements.

SCEES projects that it will pay Members a 6% gross annual interest rate in the first full year of operation by which time any outstanding remedial works will have been dealt with. This is estimated to be by January 1st 2017 at the very latest. Any surpluses go towards the community benefit fund and new projects.

Withdrawable Shares for this capital raising are being issued and interest will be paid by SCEES annually, six months after the relevant Financial Year-End. Interest on Withdrawable Shares will be calculated from 1st January, 2017. Members are welcome to donate all or part of their projected 6% annual interest payments to the Community Benefit Fund though there is no expectation for this.

TAXATION

Prospective members are advised to seek independent tax advice if they wish to benefit from Capital Gains and Inheritance Tax Relief.

SALE OR WITHDRAWAL OF SHARES

Prospective Withdrawable Shares in SCEES are non-transferable except on death or bankruptcy or (in the case of an unincorporated organisation or partnership) on a change of nominee, and therefore cannot be sold to a third party or traded. There is no prospect of the Withdrawable Shares being worth more than their nominal value of £1.

It is possible to withdraw shares after two years from the date of issue, giving three months' notice. However, it is important to note that any withdrawal is at the discretion of the Directors and subject to

"We were very impressed with SCEES' ability to complete a vigorous due diligence process in a short timescale. On review of the financial projections we believe this to be a benchmark project and are very proud to be providing a £400k loan to ensure its success."

Mick Brown, CEO

Robert Owen Community Banking

sufficient funds being available. The Board of SCEES has the right to change the notice period for withdrawals or to suspend withdrawals. SCEES will not pay Members more than they paid for the Withdrawable Shares.

The Directors of the Society will generally prioritise repayment of Withdrawable Shares based on the date of receipt of notice requesting repayment. However in the event of the death of a Member, a formal request for repayment of Withdrawable Shares by a legally appointed representative of the Member's estate will be given accelerated priority.

FURTHER INFORMATION

The Financial Conduct Authority recently introduced new regulations regarding the promotion of shares, bonds and debentures that are not listed on a recognised stock exchange, or part of a fund. Before you can apply for shares, we need to ask you to declare what kind of investor you are and check that you understand the nature of investment you are considering and the risks involved.

For further detail about the application process please contact Ethex at:

help@ethex.org

01865 403304

If you have any questions about the terms of the Offer please contact the SCEES Board at:

secretary@swanseacommunityenergy.org.uk

07547 520315

COMMUNITY BENEFIT FUND

WHO WILL BE ELIGIBLE?

INDIVIDUALS, GROUPS, SCHOOLS & PROJECTS
AVAILABLE TO THE CITY & COUNTY OF SWANSEA
PRIORITY WITHIN 1 MILE OF SITES
NO AGE RESTRICTION

HOW IT WILL BE MANAGED?

OFFERED AS SMALL GRANTS AND LOANS
APPLICATIONS OR NOMINATIONS REQUIRED
DECISIONS MADE BY MEMBERS AT AGM
FUND ALLOCATED ANNUALLY



WHAT WILL WE FUND?

THE NEEDS OF THE COMMUNITY WILL CHANGE OVER TIME, BUT WE ARE LIKELY TO FUND ANYTHING RELATING TO **ENERGY & ENTERPRISE** IN THE LOCAL COMMUNITY.

THIS MAY INCLUDE RENEWABLES, ENERGY EFFICIENCY, LOW CARBON TRANSPORT, TARIFF SWITCHING, ENERGY AWARENESS & COMMUNITY SPACES, ENTERPRISE DEVELOPMENT, BUSINESS START-UP COSTS, SKILLS DEVELOPMENT, TRAINING, TUTORING,

RISKS

An investment in this Offer carries risk and prospective members should read through this document carefully. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a financial or other professional adviser.

The Board consider the key risk factors to be as follows:

As a newly formed company, SCEES has no track record prior to this project. Investing in SCEES shares is not the same as investing money in a bank account as your capital is at risk and you could lose up to, but no more than, your entire investment. An investment in the shares is not covered by the Financial Services Compensation Scheme (FSCS).

Construction | Construction costs have been confirmed to within +/- £5,000 which is dependent on whether Export Meters are installed at some sites or not. The decision to install these meters will not have any detrimental effect on the projected ROI nor the Community Benefit Fund. The Society has selected its construction partner carefully, taking into account their experience and track record in similar projects. At the time of publication, SCEES' contractors are still carrying out remedial works but we have built in an appropriate contingency cost provision for unforeseen circumstances including allowing for any potential generation delays or downtime. Our technical directors, experienced in the industry, will also ensure that the installations have been installed to the correct standard.

Operation | Generation of electricity involves mechanical and electronic processes which may fail under certain conditions and lead to loss of revenues and repair or replacement costs. In order to mitigate against this, the Society has used Tier 1 panels with a 20 year performance guarantee and invertors on an extended 20 year warranty. The Society will undertake regular preventative maintenance and has taken out insurance in respect of business interruption caused by major equipment failure.

Liquidity | The shares are not readily realisable and it is not intended that any capital will be withdrawable by Members for at least two years. Withdrawal of shares will only be possible if the company is

generating sufficient surpluses and any withdrawal will be at the Board's discretion. Investment in SCEES is intended to be a long term investment and members should be prepared to hold their investment for the 20 year life of the project.

Generation | The Society's assumptions around potential renewable energy generation levels are based on site capacity and yield calculations provided by the lead construction partner. Our lead construction partner has experience of providing accurate yield calculations.

Electricity prices | Wholesale prices of electricity fluctuate, which will have an impact on sale prices for the Society's exported electricity and therefore revenue. However, UK Government forecasts suggest that, overall, the long term trend is for wholesale electricity prices to increase. Over 80% of the Society's forecasted income is generated from the Feed-in Tariff, a long-term inflation linked UK Government subsidy and the Export Tariff which both guarantee income streams. In addition to this, the Society has agreed a 20 year Power Purchase Agreement with the onsite energy users which will provide additional certainty over exported power income.

UK energy policies | Changes in respect of legislation concerning the FiT could have a negative impact on the revenues and profits of the Society. The FiT is subject to regular review though all UK Governments have been consistent in avoiding changes which impact projects retrospectively by adopting a grandfathering policy for operational projects. That is, post accreditation by Ofgem, FiT will remain in place for the full 20 year period.

Host buildings | Within the lease agreement, the society has conservatively allowed for two roof replacements at each site over the 20 year period and there is an agreement in place for any lost income. Our income forecast includes these provisions.

Exit strategy | As a precautionary measure we have budgeted for decommissioning of the installations, but we consider it more likely that leases are either renegotiated or host buildings adopt the panels as they will continue to produce electricity for many more years.

FINANCIAL PROJECTIONS

CASH FLOW

A summary of the Society's post commissioning cash flow projections over the 20 year life of the project is shown in the table below:

SUMMARY CASHFLOW PROJECTIONS POST COMMISSIONING				
	5 years to 31-Dec-2021	5 years to 31-Dec-2026	5 years to 31-Dec-2031	5 years to 31-Dec-2036
Operating income (electricity sales & FiTs)	£370,320	£402,305	£443,905	£481,203
Operating costs	(£56,856)	(£63,331)	(£71,654)	(£79,627)
Decommissioning / exit budget				(£30,471)
Cashflow available for financing and Community Benefit Fund	£310,950	£336,172	£368,595	£367,585
Member interest payments	(£118,527)	(£96,125)	(£66,146)	(£25,952)
Member capital repayments	(£66,235)	(£88,637)	(£118,616)	(£155,660)
Community fund and new projects (before taxation)	(£83,329)	(£132,776)	(£195,177)	(£236,132)
Retained cashflow for the period	£42,859	£18,635	(£11,344)	(£50,150)

NOTES

Forward-looking statements are merely unaudited projections based on a number of assumptions and should not be relied upon as indicators of future performance. There is no guarantee these projections will be achieved.

Income is derived from the sale of exported electricity as well as from payments through the Feed-in-Tariff scheme.

Costs comprise operation and maintenance management charges, insurance, rent and rates, repair provisions (e.g. for inverters).

The project was successfully pre-registered with Ofgem by 27th September 2015 and has secured a FIT of 11.85p/kWh which accounts for 66% of projected income; The PPA of circa 7.4p/kWh has been secured which accounts for an estimated 21% of income; Export tariff is currently 4.91p/kWh

ASSUMPTIONS

The key assumptions underlying these projections are as follows:

- Total project costs are £425,000 including: legal, construction, the construction loan, fundraising and contingency costs;
- The society successfully raises the full funding requirement - £425,000 with £100,000 of that already offered by Swansea Council;
- The construction of the solar scheme is completed by December 2016;
- The solar scheme generates over 400,000kWh in its first full year of operation;
- Degradation in solar panel performance is at 0.5% per year in line with performance warranties;
- Inverters are covered under an extended warranty up to year 20.

THE OFFER TERMS

TIMETABLE

The offer launches on Monday 7th November 2016 and will close at noon on Friday 16th December 2016, unless fully subscribed earlier or otherwise extended at the sole discretion of the Board.

KEY TERMS

The key terms of the offer are as follows:

SHARES ISSUED BY	Swansea Community Energy & Enterprise Scheme Ltd (Registered Community Benefit Society number 7209)
NUMBER OF SHARES ISSUED	425,000
SHARE VALUE	Nominal value of £1 per share
MINIMUM SUBSCRIPTION	There is no minimum subscription. Any shortfall towards total project costs will be reassessed by the Board after closing the offer
MAXIMUM SUBSCRIPTION	£425,000
MEMBERS ROI	Projected annual return on investment is 6% (unless members opt to donate their annual interest payments to the community benefit fund)
MINIMUM INVESTMENT	£250 (250 shares). A lower minimum investment of £50 (50 shares) applies for investors who reside within the City & County of Swansea
MAXIMUM INVESTMENT	£100,000 (100,000 shares)
SHARE CLASS	Withdrawable - investors may withdraw their share capital after a period of two years from the date of share issue, subject to Board approval and availability of funds.
TRANSFERABILITY	Shares under this Offer are not transferable to third parties
TERM	Long term investment – although interest will be paid annually, repayments of capital may take up to 20 years depending on available cashflow
OVER SUBSCRIPTION	In the event of over-subscription, the Board reserves the right to prioritise share applications from people residing in the City & County of Swansea
VOTING RIGHTS	One member, one vote

LEGAL ARRANGEMENTS

Prior to installation, SCEES entered into a long-term **Lease** and **PPA** with the building landlord and tenant (20 years and 6 months). This enabled the installation and maintenance of panels over the lifetime of the project. It also allowed the future sale of some of the electricity generated on site to the tenant. Each document has been officially sealed and registered with Land Registry where required.

LEASE

The lease is a long-term (20+ years) agreement between SCEES and Swansea Council which enables the installation and maintenance of the solar PV panels on the 10 sites.

This agreement identifies access arrangements, safeguarding arrangements, insurance obligations and procedures for both the PV panel and the school roof in case of maintenance, damage and repair requirements. As part of the agreement SCEES will indemnify the Council against any increase in the Rateable Value/ Business Rates payable on the

buildings which may arise as a result of the Installation of the PV installations & the associated equipment.

Within the agreement there is also an allowance for two roof replacements over the lifetime of the project at each site, with a method for calculating any lost income. This is in line with the Council's current replacement programme timescales although this is only likely at a couple of the sites.

POWER PURCHASE AGREEMENT

The PPA ensures a fair price for the sale of electricity used on-site by the building host for the lifetime of the project. The price has been set at half way between the rate the Council would pay their existing provider and the rate that SCEES would receive for exporting to the grid (Export Tariff).

As both of these rates will fluctuate over time, the PPA will be re-calculated each year ensuring that SCEES and the Council share the financial benefits.



BOARD OF DIRECTORS



GARETH TUCKER
(CHAIR)

Gareth is our Chair. He is a Chartered Engineer and Director of Seren Energy, a local business specialising in Renewable Energy Projects in Wales. He has successfully worked with a number of community organisations on renewable energy projects in south Wales. Gareth is an active Green Party member and was their Swansea West Constituency candidate at the 2016 Assembly Elections.



KEITH ROSS
(VICE CHAIR & TREASURER)

Keith is our Vice-Chair. He has been an environmental campaigner for 30+ years and is currently a Co-ordinator of Frack Free Wales. He has a background in administration and finance and is also our Treasurer. Prior to retiring he helped to found Swansea City of Sanctuary. He is also member of the Management Committee at Brynmill Community Centre.



CHRIS SMALL
(SECRETARY)

Chris is a Founder Director and Secretary. He is responsible for all day to day queries and communications. He helped develop SCEES from the outset and is keen to support enterprise, skills development and community ownership. Chris studied at Swansea University and now works at Swansea Council and DBEIS (formerly DECC). He is a Director of Gower Power Co-op and a Trustee of The Environment Centre.



CLLR ANDREA LEWIS
(DIRECTOR)

"As a Local Authority we have made a commitment to support renewable energy with our aspiration to become fossil free, creating a sustainable energy resource for our future generations. I feel proud to support and endorse SCEES in my role as a board member and look forward to expanding on the current delivery programme in order to further maximise the benefit to the communities of Swansea."

Andrea is Cabinet Member for Next Generation Services at Swansea Council encompassing Housing and Energy.



ANT FLANAGAN
(DIRECTOR)

Ant has been developing and managing social enterprises since 2001. He has an MBA from Cardiff Business School and has always been fascinated by the potential role of shareholders' equity in creating social and environmental change. He cares passionately about the importance of supporting local producers and suppliers, and wants to build more community ownership of local assets. He is one of the founding Directors of Gower Power Co-op, which develops community energy and agriculture enterprises on Gower and beyond.



TANYA NASH
(DIRECTOR)

Tanya is a highly experienced and respected sustainability professional who has worked with a range of public and third sector organisations, currently Team Leader of the Sustainable Development Unit at Swansea Council. As well as being an experienced trainer, facilitator and qualified teacher, Tanya is competent project and programme manager. Tanya is also a Swansea school governor and member of Cae Tan Community Supported Agriculture Scheme and Gower Power Co-op.



CHRIS STONELAKE
(DIRECTOR)

Chris is an electrical and solar photovoltaic engineer with over ten years' experience on electrical installations and seven years industry experience within solar PV. He has a comprehensive knowledge of designing, developing and maintaining electrical systems and components to required specifications, focusing on economy, safety, reliability, equality and sustainability. Chris will ensure that we maximise the generation from our panels and is currently exploring future projects such as battery storage.



KARL MILLER
(DIRECTOR)

Karl has 20 plus years of technical expertise and knowledge within the construction, electrical, solar PV and health & safety sectors. He has worked on projects ranging from education and national retailers to nuclear power stations. He is currently studying Leadership & Management at Cardiff Metropolitan University. He considers renewable energy technologies and battery storage to play a massive part in meeting our future energy needs.



KEITH BAKER
(DIRECTOR)

Born in Swansea, Keith is keen to support and offer advice to local enterprises and start-ups. With a background in electrical engineering and 30+ years experience in the sector, Keith was a founder of multinational Swansea-based Pure Wafer PLC and Pure Wafer Solar. Keith is Chair of Swansea Economic Partnership & Member of the Swansea Bay City Region Board.

Any enquiries to our board can be made via:

secretary@swanseacommunityenergy.org.uk

chair@swanseacommunityenergy.org.uk

treasurer@swanseacommunityenergy.org.uk

Or our web-site:

www.swanseacommunityenergy.org.uk/contact



GLOSSARY

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

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

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 at www.swanseacommunityenergy.org.uk, each of which must be completed and returned or submitted in accordance with the Offer Terms and guidance notes included in this Document.

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.

CCS or The Council: City & County of Swansea (the Council which owns the host buildings).

Community Benefit Society: A Society established and registered by the FCA under the Co-operative and Community Benefit Societies Act 2014.

Community Benefit Fund: A fund endowed by the Society which is to be distributed by the directors.

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

Document: This Share Offer document.

Export Tariff: A payment for every kilowatt hour (kWh) of surplus electricity that the solar PV system

exports to the electricity grid.

FCA: The Financial Conduct Authority, registrar and regulator of Community Benefit Societies.

FiT (Feed in Tariff): Subsidy for electricity generation introduced on 1st April 2010.

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

kWp: Peak power. This value specifies the output power achieved by a Solar module under full solar radiation (under set Standard Test Conditions).

Lease: The lease of airspace above the roof between the City & County of Swansea and Swansea Community Energy & Enterprise Scheme Ltd.

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

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.

Power Purchase Agreement (PPA): An agreement for the sale of electricity. This can be a PPA with the host building occupier or an export PPA, where electricity is exported to the grid.

Pre-registration: A pre-accreditation which allows a site to benefit from the certainty of the FiT rate.

Priority Applications: Applications received from Applicants in the priority classifications described in the Offer Terms

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

ROI: Return on investment (ROI) is the benefit to an investor resulting from an investment

Rules: The rules of the Society. The current version of our rules is available at www.swanseacommunityenergy.org.uk.

SCEES: Swansea Community Energy & Enterprise Scheme Limited (Registered Community Benefit Society number 7209).

Share Offer: The opportunity set out in this Document.

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 Offer Terms, 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.

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

Share Interest: Interest payments made to

Shareholders as a percentage of their investment value.

Sites: buildings which will have Solar PV installations

Society: Swansea Community Energy & Enterprise Scheme Limited (Registered Community Benefit Society number 7209).

Solar Electricity: Electricity generated by the renewable energy installations owned by the Society.

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

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

Website: www.swanseacommunityenergy.org.uk



OUR PARTNERS

We'd like to say a massive thanks to the individuals and organisations who have helped us get to where we are now. Thank you for all of your time, support, encouragement and expertise which have helped us on our way. We hope each of you are as equally proud as we are with what has been achieved so far and are excited about what the scheme can accomplish in the future.

You can find out more about each of our partners on our website www.swanseacommunityenergy.org.uk





SHARE OFFER APPLICATION

PLEASE COMPLETE BOTH PAGES OF THE SHARE OFFER APPLICATION IN BLACK INK AND CAPITALS

INVESTMENT

I wish/my organisation wishes to invest a total amount of £ in Swansea Community Energy & Enterprise Scheme Limited based on the Terms and Conditions of this Offer Document at the price of £1 per share. Please note that you must invest at least £50 if you live within the City & County of Swansea and £250 if you live outside.

NAME OF APPLICANT

**Please only complete boxes marked with an asterisk if you are applying on behalf of an organisation. If you are applying on behalf of an organisation, please include the address of the organisation below and suitable contact details.*

*ORGANISATION NAME & REG NO. OR N/A

ADDRESS

POSTCODE TELEPHONE NUMBER

DATE OF BIRTH *NAME OF AUTHORISED SIGNATORY OR N/A

EMAIL

HOW DID YOU FIND OUT ABOUT SCEES?

PAYMENT DETAILS

I confirm that I have paid by bank transfer/BACS on: to Ethex Investment Club Ltd
(Ethex Investment Club Ltd are receiving payments on SCEES behalf in a segregated client account)

Please pay Sort Code 60-83-01 & Account Number 20358839. When making an online payment please include a reference name. This should be your SURNAME and DATE OF BIRTH (e.g. JONES160472)

I confirm that I have enclosed a cheque made payable to **Ethex Investment Club Ltd**

Swansea Community Energy & Enterprise Scheme Ltd. will pay share interest by electronic transfer (BACS). To receive your share interest please provide your bank account details below:

NAME ON ACCOUNT

BANK ACCOUNT NO. SORT CODE

I confirm my understanding that:

- When accepted by Swansea Community Energy & Enterprise Scheme this Application forms a contract subject to the law of England and Wales on the Offer Terms of the Offer Document.
- An Applicant who/which is not a UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK to which he/she/it is subject.
- If the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole.
- If insufficient funds are raised by the Offer, Application Monies may not be returned and alternative sources of funding will be sought by Swansea Community Energy & Enterprise Scheme to make up the shortfall.

I confirm that:

- I have read the Offer Document (including the Risk Factors and the Guidance Notes to this Application Form) and the Rules of Swansea Community Energy & Enterprise Scheme
- I am over 16 and the Applicant meets the Offer eligibility criteria.
- Swansea Community Energy & Enterprise Scheme is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application.
- The Applicant is not (unless a Registered Society) making an application or multiple applications for a total of more than 100,000 Shares.
- The Applicant is not relying on any information or representation in relation to the Offer Shares in Swansea Community Energy & Enterprise Scheme which is not included in the Offer Document.
- The Applicant shall provide all additional information and documentation requested by Swansea Community Energy & Enterprise Scheme in connection with this Application, including in connection with money laundering, taxation or other regulations.

Please note that before completing this document you should have:

- Read this Share Offer Document
- Considered the Offer Terms and the Risks as set out in this Document
- Considered whether you need to take any financial advice in relation to the Offer Terms

DECLARATIONS

Due to the project's large capital outlay, our Community Benefit Fund builds up rapidly as more capital is repaid. You can help us build our Community Benefit Fund rapidly from the outset by opting to forego your early annual interest payments. There is no expectation for you to do so.

I hereby consent to donate my first 1, 3 or 5 years interest payments (insert number here) to the Community Benefit Fund. You may notify the society at any time should you wish to reverse your decision. Your generosity will enable us to support the local community more quickly.

I understand that the cheque supporting this application (if enclosed) will be presented for payment upon receipt and I warrant that it will be paid on first presentation.

SIGNATURE

DATE

*If applying on behalf of an organisation, the authorised signatory must sign here

ONCE COMPLETED PLEASE SEND YOUR APPLICATION TO:

Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE

Cheques should be made payable to 'Ethex Investment Club Ltd'