Make your Green Investment in North Oxford

You are invited to invest in a community enterprise to reduce North Oxford's carbon footprint: Oxford North Community Renewables (ONCORE) plans to install solar panels on the roofs of The Cherwell School - creating a unique opportunity to take action on climate change and be part of a new community venture.

Contents

1. Overview 3
2. Community Investment and ONCORE 4
3. The Cherwell School Project 4
4. What benefits flow from the project? 5
5. The Board of Directors 6
6. What shares are being offered? 7
7. How to invest 8
8. A call to action 8
Questions and Answers 9
Appendix 1 - Details of the share classes 14
Appendix 2 - Terms and conditions for applying for shares 15
Application Form 17
Additional Documents 19
1. Overview

You are invited to invest in Oxford North Community Renewables Limited (ONCORE), set up by Low Carbon Oxford North (LCON), to fund the installation of solar photovoltaic (PV) panels on suitable roofs at The Cherwell School.

The aim of the Cherwell project is

- to increase the amount of renewable electricity being generated in North Oxford;
- to provide cheaper electricity for the school;
- to provide funds for further carbon reducing activities in North Oxford; and
- to raise investment from local people and others with a connection to The Cherwell School or North Oxford, with the aim of providing a reasonable rate of interest on their investment.

We are aiming to raise a minimum of £145,000 through community investment, to fund an installation of around 250 photovoltaic panels (approximately 50kWp) that will produce cheap, clean electricity for The Cherwell School for at least 25 years.

This offer launches on 6 June 2011 and will remain open until 31 July 2011 or until the Directors give notice of closure. We hope to raise the full amount as soon as possible, so we can complete the installation over the summer holidays.

The plan is that this project will not only save carbon emissions through the generation of renewable electricity but will also share the income from the panels between investors, The Cherwell School and LCON. LCON will use its share to further reduce carbon emissions in the community and build community engagement and social capital across North Oxford. The Cherwell School will receive cheaper electricity and the project will create educational opportunities through integrating the solar panels into the school's curriculum.

It is also intended that the project will pay interest to shareholders of ONCORE. Investors will be able to choose between two different classes of shares. For those investors who pledge not to make early withdrawals of their capital, we anticipate an average annual compound interest rate of 4.2% over 25 years. For those who want to retain the option to withdraw their capital early, we anticipate an average annual compound interest rate of 3% over 25 years.

ONCORE is currently run by a Board of five directors, all residents of North Oxford who are working for ONCORE on a voluntary basis. The Board brings together a range of skills and experience from the energy, construction and social enterprise sectors, and a track record of local and other civic engagement.
2. Community Investment and ONCORE

Community investment can provide an opportunity for local people and organisations to contribute financially to the community while creating a social and/or environmental dividend as well as a financial return. Through this share offer shareholders in ONCORE will be funding the generation of renewable energy at The Cherwell School and carbon-reduction activities through LCON across North Oxford, helping to create a more environmentally sustainable community.

We have set up ONCORE as a Community Benefit Society. ONCORE has been established for the specific purpose of building and owning community-owned renewable energy schemes in North Oxford for the benefit of the whole community.

_The shares you purchase will make you a member of ONCORE and provide capital to fund the installation of solar PV panels on roofs of The Cherwell School._

ONCORE also intends to develop further projects to install solar PV on other large roofs in North Oxford. We anticipate that these will be the subject of further share issues at the appropriate time.

3. The Cherwell School Project

We need to raise £145,000 to pay for the design, procurement, installation, commissioning and connection to the grid of a 50kWp (approximately) solar PV system at The Cherwell School. Once installed, the solar panels are expected to be largely maintenance-free and are guaranteed for 25 years of operation. The panels will remain ONCORE’s responsibility.

The Cherwell School is the comprehensive school for North Oxford (www.cherwell.oxon.sch.uk) with 1819 students. We anticipate a range of direct benefits for The Cherwell School, its teachers and students:

**Financial and carbon savings**
ONCORE will sell electricity generated from the solar panels to the School at an agreed discount to the rest of their electricity bill, saving money as well as carbon emissions.

**Community engagement**
The project will provide an opportunity for the School to engage with and support the wider community, through generating income to support community low carbon activities; and through enabling the community, including parents and former students, to invest in the solar panels.

**Educational opportunities**
ONCORE will work with The Cherwell School to make the most of the educational opportunities. The installation will include one or more visual displays, helping to raise awareness of energy use and climate change, allowing students to take part in the monitoring and management of the installation, and providing a platform for other environmental projects.

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1. ONCORE is incorporated under the Industrial and Provident Societies Act 1965 and registered with the Financial Services Authority, registered no. 31239 R.
4. What benefits flow from the project?

We expect that your investment will have local social and environmental benefits as well as a financial return.

The project will generate income by selling solar electricity to The Cherwell School and the grid, and it will receive index-linked payments through a guaranteed 25 year contract under the government feed-in-tariff scheme. Solar panels have relatively low operating costs, so we anticipate that slightly more than half of the annual revenues can be paid to LCON and shareholders, a proportion that increases throughout the life of the project.

The directors of ONCORE intend to allocate revenues strictly in accordance with the procedures set out in this offer document. With the solar panels operating at their guarantee levels, it is intended that LCON will receive a donation of about 10% of any surplus in any given year, and investors the remaining 90%, (subject always to ONCORE’s Rules; see Q&As No.7 and Appendix 1). If the panels operate above the guarantee levels, it is intended that the proportion of the surplus donated to LCON may be increased up to 20%, and overall payments to shareholders may also increase. The Cherwell School will also benefit financially in the form of lower electricity bills. We anticipate the financial benefit for the first year to be shared as shown in the diagram below.

The use of clean electricity generated by the solar PV installation at The Cherwell School will prevent around 22 tonnes of CO2 being emitted each year by UK power stations. In addition, the share of the revenues paid to LCON each year will fund further carbon-reduction activities in the community, such as programmes to lower household energy use (see Q&As No.6). Your investment will therefore, we hope, create a double impact on carbon emissions.

Supporting community carbon reductions through LCON in this way is enshrined in ONCORE’s Rules and forms one of its key objects.
5. The Board of Directors

The founder members of ONCORE are LCON plus the current Board of Directors, who are all volunteers resident in North Oxford. Board members do not draw any salary nor are they reimbursed for their personal expenses in running ONCORE. In keeping with the ethos of community investment some of them are also investing their own money into this project. The current Board of Directors brings together a mix of relevant skills and experience in the energy, construction, social enterprise and public sectors.

**Brenda Boardman**
Resident of Beechcroft Road, MBE, FEI (Fellow of the Energy Institute), DPhil, BA (hons), trustee of LCON, Emeritus Fellow, Environmental Change Institute, University of Oxford. Brenda continues to be active in undertaking research (for instance for Greenpeace) and in giving lectures, usually on fuel poverty. She teaches in Oxford and at the University of Exeter and is an external examiner for the University of Cardiff. She is supporting Professor Christine Liddell of Ulster University in the production of a special issue of Energy Policy on fuel poverty due out at the end of 2011.

**Sam Clarke**
Resident of Victoria Road, BA, MBA, Chair of LCON, worked for many years in Oxfam finally as fundraising director, he then headed up two NGOs. Since then he has founded the Stop Climate Chaos Coalition, chaired Friends of the Earth and is now Chair of New Economics Foundation and Chair of the Soil Association Standards Board.

**Steve Drummond**
Resident of Bainton Road, BSc Hons, MBA, Managing Director, Caledonia Green Innovation Ltd, Managing Director, Bainton Capital Partners, green finance specialist. Steve has extensive commercial experience in the green energy sector, most recently as founder and CEO of CantorCO2e, an international carbon trading specialist and before that as a partner of corporate finance at Pricewaterhouse Coopers.

**Adriano Figueiredo**
Resident of Hamilton Road, BEng, MBA, general management, project management and project finance in different industry sectors. Adriano currently works in the education sector and before that, as a senior manager at a property developer, he helped develop and implement the group’s strategy towards creating carbon neutral industrial buildings in the UK, Europe and Latin America.

**Julia Patrick**
Resident of Kingston Road, BA (hons), MSc. Julia has been acting as our project co-ordinator. She has extensive project management experience through working in central and regional government (mainly DTI / BIS) and earlier in her career qualified and practised as commercial solicitor at City law firm Freshfields. She recently took time out from BIS to complete an MSc in Environmental Change and Management.

The Board is charged with managing the financial performance of the solar panel investment on behalf of investors, in accordance with ONCORE’s Rules and the terms and intentions set out in this offer document.

The Secretary is Julia Patrick. CVs for all Directors are available on request.
6. What shares are being offered?

Oxford North Community Renewables Ltd is a Community Benefit Society (a form of industrial and provident society). You can choose to invest in one or both of two classes of ordinary shares. The legal classification of both classes of shares is “withdrawable”, a type of share unique to industrial and provident societies. The principal characteristic of this type of share is that they cannot be sold or traded, in contrast with the more usual “transferable” shares which are typical for a limited company.

In this share offer we are offering two different classes of shares:

1. **“Returnable” shares**
   Withdrawable shares where a shareholder can apply to have all of their capital returned to them by ONCORE at any time following year 3, and thereby completely exit their investment before the end of 25 years (subject to some restrictions, see Appendix 1).

2. **“25-year pledge” shares**
   Withdrawable shares where the shareholder opts at the beginning to have their capital returned to them gradually over 25 years and waives their right to ask for it all back at once.

All capital returns are subject to the availability of funds, ONCORE's Rules, the conditions in Appendix 1 and the discretion of the ONCORE Board.

If you choose to buy returnable shares you have the right to ask ONCORE to return your capital to you. A capital withdrawal fund will be built up through the life of the project to ensure some funds are available to investors who wish to do this. At the end of 25 years, it is planned that the capital withdrawal fund will be closed and the money used to repay capital to those investors who have not had their capital returned early. The forecast average annual compound interest rate on returnable shares is 3.0%.

Alternatively however, you can waive your right to apply to take back all of your capital before the end of the 25-year term of your investment and it is planned that you will receive a part of your capital back each year after year 3. The forecast average annual compound interest rate on these 25-year pledge shares is 4.2%.

In both cases, investors receive the same amount of money over 25 years; the difference is that those who make the 25-year pledge will get most of their money back more quickly, because all of the available cash will be paid to the investor, rather than some being paid into a capital withdrawal fund until year 25. This means that the effective interest rate for the 25-year pledge shares is higher than the effective interest rate for the returnable shares. The detailed features of each share class are summarised in Appendix 1 and a comparison between the two is given in Q&A No. 10.

We expect the actual interest rate paid to shareholders to vary from year to year in accordance with the performance of the project. Investors can also choose to donate their shares or just the interest on their shares to LCON by ticking the appropriate box on the application form.
7. How to invest

All applications are subject to the terms and conditions set out in Appendix 2 and the Rules of ONCORE. Membership is open to individuals, corporate bodies, voluntary organisations and public sector investors.

For this share offer, £1 shares are being offered in multiples of £500. The minimum shareholding which you can apply for under this offer is £500, and the maximum is £20,000.

Larger sums can be made available to ONCORE or LCON as donations, grants or loans. If you qualify under the Financial Services Authority definition of a “sophisticated investor,” “high net worth investor” or “high net worth company” it is possible that you could make an investment in the form of a transferrable loan note. Please contact the Chair of ONCORE at the registered address 56 Victoria Road, Oxford OX2 7QD for further information on any of these possibilities.

8. A call to action

This is an opportunity for you to join with others in the community and make a green investment in North Oxford. By doing so we hope you will help generate clean energy, enhance the educational and community links with the Cherwell School and help fund further carbon reduction projects in the area.

The necessary application forms and options, and further information on the application process, can be found at the end of this document. If you have any questions please contact us by email at oncore@lcon.org.uk

Installation of Solar Panels at Matthew Arnold School, Oxford
Questions and Answers

1. Has this been tried before?
There is growing evidence that:
• communities are willing to support this type of activity,
• the feed-in-tariff enables projects to work financially and
• school roofs can provide a good community platform. For example, a larger scheme has been in operation at the Matthew Arnold school in West Oxford since July 2010.

2. What is the current status of the Cherwell School project?
As we go to press, we are:
• finalising an open tender process which invited 24 contractors to bid for a fixed price contract to design the complete system and to procure, install, commission and connect the solar panels and associated equipment to the grid;
• finalising the agreement with The Cherwell School; and
• confirming the planning permissions required.
If we can raise the money in time, the plan is to install the panels during the 2011 summer holidays so as to minimize disruption to the school.

3. Who will manage the project?
The solar panels and associated equipment will be owned by ONCORE. The ONCORE board will manage the installation of the panels and ONCORE will arrange the ongoing maintenance, which is expected to be minimal.

The ONCORE board is responsible for authorising payments to shareholders in accordance with the terms set out in this offer document and ONCORE’s Rules.

4. How do I know it will be properly managed?
ONCORE is being formed with a board of experienced directors and they can be changed at the AGM if shareholders are not satisfied. More importantly, everyone has an incentive to make this work – LCON needs its share of the revenues from the project and The Cherwell School, as the host, has educational and financial incentives to make sure the scheme continues to generate electricity.

5. How do I participate in ONCORE?
Through purchasing shares you become a member of ONCORE, giving you the right to participate in the operation of ONCORE. ONCORE will operate for the benefit of the community on a ‘one member, one vote’ principle, irrespective of the size of a member’s shareholding. Members will elect the board of directors at the annual general meeting (AGM) on a three-year rotation to manage ONCORE’s affairs. The founding directors will stand for re-election at the first AGM and a new Board will be elected. Subject to approval by the AGM, LCON will always nominate one of the directors, to give it a voice on the Board and represent LCON’s interests in line with ONCORE’s objects (as set out in the Rules).

6. What are LCON’s community programmes?
LCON’s community activities include:
• programmes to help individuals and households take practical action to reduce their carbon footprints and household energy bills (including ‘carbon conversations’, the ‘low carbon living programme’ and information on suppliers);
low carbon food activities including developing a local food festival.

LCON is a community organisation making an increasing impact in North Oxford. LCON has run two successful Carbon Conversations courses as well as an outreach and street champions programme, and is about to launch its first low carbon living programme. LCON also aims to use part of the proceeds from ONCORE to help disadvantaged members of the community enjoy a warmer, low-carbon lifestyle. Further details on these activities are available on LCON’s website at www.lcon.org.uk

7. How will cash flow in ONCORE?

The directors intend that the revenue from the generation, sale, and export of solar electricity from the Cherwell School will be used to cover operating costs of this project each year as follows:

1. any maintenance, repair, etc. for the panels and associated equipment;
2. a fee to LCON for the provision of administrative services (set at £5000 for the first year, thereafter rising with inflation); and
3. payments into a sinking fund for replacement of the inverters in year 12 (set at 1% of initial capital expenditure per year until year 12).

The cash remaining after making the deductions detailed in 1 to 3 above is called the “Surplus” for the purposes of this document. The Surplus will be disposed as follows:

4. 10% of the Surplus will be paid to LCON as a gift-aid donation if the panels perform at their guarantee levels of output. It is intended that this percentage may be increased up to 20% if the actual performance of the panels is better than the guarantee levels;
5. the remaining Surplus will be paid to shareholders in the form of interest and capital repayments (which may exceed forecast returns if the project overall outperforms projections, for example due to increasing sunshine).

LCON will also receive some interest and capital repayments on the same basis as other shareholders, as it will convert approximately £5,000 of the money it has spent on the set-up of ONCORE into 25-year pledge shares.

8. What happens if ONCORE does not raise enough money?

In the event that this community share issue does not raise the full amount needed to finance the solar PV installation at The Cherwell School, the Directors will determine alternative options (such as seeking supplementary sources of finance). If, in the opinion of the Directors, this changes the fundamental nature of the project, you will be given the opportunity to withdraw your application.

9. What happens if ONCORE has already raised enough money?

In the event that this community share issue raises the full amount needed to finance the solar PV installation at The Cherwell School, the Directors of ONCORE will give notice of closure of the share offer. Any applications received after notice of closure will be returned to the applicant.

10. What is the difference between the two share classes?

In both cases, investors receive the same amount of money over 25 years; the difference is the timing of the payments over the 25-year term. For returnable shares, if an investor has not withdrawn their shares at the end of 25 years, the investor’s initial capital is repaid out of the capital withdrawal fund. This is analogous to a typical interest-only mortgage, where the principal is paid in one lump sum at the end.
By contrast, if an investor subscribes for 25-year pledge shares, annual payments comprise both interest and capital repayment, analogous to a typical repayment mortgage. Because none of the revenue is being paid into the capital withdrawal fund, the annual payments to the investor in years 1 to 24 are higher than for the returnable shares. Moreover, because a part of the investor’s capital is repaid each year, the interest payments on the declining balance give an effective interest rate that is higher than the effective interest rate for the returnable shares.

The following chart shows payments to an investor of £1000 who opts for the 25-year pledge shares. You will see that interest payments reduce as capital is repaid, until in year 25 nearly all of the cash received by the investor is capital repayment. The revenues increase over time because the feed-in-tariff is indexed to inflation. The step in principal repayments is because we stop paying money into a sinking fund to replace the inverters in year 12.

By contrast, the following chart shows the payments to an investor of £1000 who chooses the returnable shares. Each year part of the Surplus attributable to returnable shareholders is paid as interest payments (averaging a forecast 3%) and part is paid into a fund that builds up to enable a lump-sum capital repayment in year 25. The “saw-tooth” shape of the interest payments is caused by an increase in the annual amount being paid into the reserve fund, every six years or so.

11. How does the Feed in Tariff (FIT) work and what are the risks to revenue and costs?

ONCORE will generate revenue from the Cherwell project through i) the feed-in-tariff paid for each unit of renewable electricity generated; (ii) the tariff charged to The Cherwell School for using the renewable energy generated by the panels, and iii) an export tariff for each unit of renewable electricity not used by The Cherwell School and sold back to the grid (if any). The feed-in-tariff and export tariff will be paid to ONCORE through a 25-year contract with an electricity supplier and the tariff will increase annually in line with the Retail Price Index (RPI). Total revenues are of course also dependent on the technical performance of the solar panel installation and the amount of sunshine they receive.
Recent government announcements, including the fast-track review of solar PV schemes larger than 50kW, mean that projects over 50kWp that are connected to the grid after August 2011 may receive a lower tariff. For this reason we are currently intending to limit the Cherwell School project to a 50kWp installation. There is currently lobbying by a number of organisations to have this cap increased for community organisations, and if these representations are successful the directors will consider increasing the size of the project at The Cherwell School.

The performance of the solar panels is guaranteed, so the principal risks to revenues are changes in the amount of sunshine in North Oxford, any loss of revenue due to obstruction or roof repairs and technical underperformance of other parts of the installation. The Directors are seeking to manage underperformance through the contracting process for the installation. We have also checked with the Cherwell School and there are no current expectations that repairs will be necessary and the risk of obstruction is minimal due to the location of the panels on the roof of the buildings. Ongoing output monitoring will identify unexpected drops in performance which will in turn trigger a check up of the system and any needed maintenance.

The cost of operating the project is expected to be relatively low based on documented experience to date in operating solar PV installations. The principal risk to costs is the cost of temporarily moving the panels if The Cherwell School needs to do roof repairs.

A detailed breakdown and forecast of expected revenue and costs for the Cherwell School project is available on request.

12. What are the other risks that the directors have identified?

ONCORE is a limited liability organisation, and the Members’ liability is limited to the value of their share holding. However, you may wish to speak to an Independent Financial Advisor before you become a member and purchase shares, and you should read this offer document carefully.

The capital costs used in the forecasts are based on budget quotations obtained prior to this share offer. Small increases in capital costs will be met by the monies raised in this share issue. If the project does not proceed, your investment will be returned.

The Directors have identified the following risks:

• ONCORE may be unable to raise sufficient capital to develop a solar PV installation at The Cherwell School, or to develop a solar PV installation of sufficient size to provide the forecast returns.

• The price of the electricity sold to The Cherwell School is set at a discount to the price charged by its main supplier, which could go down as well as up.

• Local weather conditions may affect the amounts of electricity generated.

• The project may be delayed or incur additional costs due to technical, financial or legal matters.

• There may be interruptions to the generation of electricity caused by maintenance of the roof that the panels are mounted on.

• There may be interruptions to generation of electricity caused by mechanical/electrical failure of equipment or poor installation.

• The assumed proportions of the electricity generated that is supplied to the Cherwell School and exported back to the grid may vary depending on the actual electricity demand at the school during hours of daylight.

The Directors will seek to protect against these risks through implementing prudent management practices.

13. What happens to my shares if I die?

In the event of the death of a shareholder, for both classes of shares the repaid value of the shares will normally be added to the estate for probate purposes. The application form at the end of this document offers the option (if you so wish) elect to nominate a recipient for the value of the shares in the event of your death.
14. Can I hold shares on behalf of children?
Shareholders must be at least 16 years old. You have the option of holding shares on behalf of someone who is under 16 which is set out in the application form at the end of this document.

15. Does my investment qualify for EIS tax relief?
The Directors of ONCORE are in the process of obtaining advice about ONCORE’s eligibility for the Enterprise Investment Scheme (EIS). If the Directors are successful in obtaining an advanced assurance that ONCORE falls within the EIS, ONCORE will issue a statement by email and through its website.

16. Other legal blurb we need to tell you
The list of risks identified in questions 11 and 12 above is not necessarily comprehensive. Our shares are not ‘investments’ for the purposes of the Financial Services Act 1986. Therefore you do not have the level of protection that you might otherwise be offered by the Act. In particular, this document does not need approval (and has not been approved) by an ‘approved person’ under section 57 of the Financial Services Act 1986. Our share offer is exempt from the Financial Services and Markets Act 2000 or subsidiary regulations; this means you have no right of complaint to an ombudsman. This document is not regulated by the Prospectus Regulations 2005, which do not apply because there is a specific exemption for community benefit societies.

A community benefit society is registered with but not authorised by the Financial Services Authority and therefore the money you pay for your shares is not safeguarded by any depositor protection scheme or dispute resolution scheme. As the whole of your investment could carry a risk, please consider it carefully in the context of the complete share offer document, and if needed seek independent advice.

Oxford North Community Renewables Ltd was registered with the Financial Services Authority on 18/4/2011 (Registered number 31239R). We used governing documents supplied by Wessex Community Assets, specialists in community investments (www.wessexac.co.uk) who have advised us in the preparation and launch of this share offer. Our governing document, the Rules, is available at www.oncore.org.uk and explains member/shareholder rights as well as the management and constitution of the society.

Like any investment, there are risks associated with this investment. Should ONCORE get into financial difficulties:
- we may not be in a position to pay interest;
- we may have to suspend your rights to withdraw your shares;
- we may have to write down the value of your shares;
- you may lose all the money you pay for your shares.

If ONCORE is wound up, the assets will be used first to meet all liabilities; next to repay members for their shares; and finally and surplus remaining will be passed on to a charity, society or other body with similar objectives.

Directors of ONCORE have duly considered all statements and opinions contained in this offer document and, to the extent reasonably possible, such statements have been independently verified. Documents supporting such verification are available for inspection at the offices of Blake Lapthorn solicitors for the period the offer remains open. Please contact Nicola McConville at Seacourt Tower, Westway, Botley, OX2 0FB.
Appendix 1 - Details of the share classes

25-year pledge shares

a. At the time of making the investment you opt to withdraw a proportion of your shares and receive the equivalent portion of your capital investment back during each year of the investment from year four onwards. You waive your right to apply to withdraw your shares more quickly in order to receive your capital back more quickly.

b. It is anticipated that you will be paid a forecast average 4.2% annual interest rate on your shares, though the actual rate will vary from year to year. From year four onwards, annual payments will comprise both interest on shares and capital payments in respect of your withdrawn shares, so the number of shares you hold and your invested capital will reduce to zero over the course of the 25-year term.

c. At the end of 25 years, your shares will all have been withdrawn.

Returnable shares

a. At the time of making the investment, you opt to be able to apply to withdraw the whole of your capital on demand, subject to the following conditions.

b. It is anticipated that you will be paid a forecast average 3.0% annual interest rate on your capital (assuming you do not withdraw your capital), though the actual rate will vary from year to year.

c. Every year, ONCORE intends to set aside a percentage of the total capital investment made by those that have chosen to have returnable shares as follows:

- 2% per annum in years 1 to 6
- 3% per annum in years 7 to 12
- 5% per annum in years 13 to 20
- 6% per annum in years 21 to 24

d. This capital withdrawal fund will be available to fund the repayment of capital to those investors who successfully apply to withdraw their shares.

e. You may not apply to withdraw your shares during the first three years.

f. Applications for withdrawal will be processed on a “first come, first served” basis, subject to a minimum of 180 days notice. The directors of ONCORE must approve all applications for withdrawal. The directors of ONCORE have the right to suspend withdrawals, but they do not presently intend to do so other than in exceptional circumstances.

g. The Directors will not pay out more in capital repayments than the amount held in the capital withdrawal fund at any one time. Qualifying applications that are not paid due to lack of funds will hold their place in the queue and be paid in subsequent years as money builds up in the capital withdrawal fund.

h. Successful applicants will be paid the amount of their capital investment and interest accrued to the date of withdrawal, minus half of the last interest payment they received, as a contribution to ONCORE’s administrative costs.

i. If you do not withdraw your capital for the whole of the 25 years, ONCORE expects to repay your capital to you together with your final interest payment.
Appendix 2 - Terms and conditions for applying for shares

Your application

You cannot withdraw your application for shares after we receive your application form. The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reason for their decision. If the share offer is oversubscribed (i.e. the share offer attracts applications for more than the amount needed to finance the solar PV installation at The Cherwell School), shares will be allocated in order of receipt of application. Once the full amount needed to finance the solar PV installation at The Cherwell School has been raised, the Directors of ONCORE will give notice of closure of the share offer, and any applications received after notice of closure will be returned to applicants.

Your application will be considered for approval at the first convenient Board of Directors meeting after you have applied, and therefore you should not expect an immediate response.

Your payment

Shares are payable in full on application. The Directors will acknowledge receipt of your cheque and application. They may cash your cheque as soon as it is received. ONCORE will hold your money on trust for you in a separate account until Directors consider your application.

The Directors will return your money to you (within 28 days of the Board of Directors meeting at which we consider your application) if they decide not to issue shares to you. If they decide to issue fewer shares to you than you applied for, they will return the balance to you (within 28 days of the Board of Directors meeting). In this event ONCORE will not pay you interest on any money it returns to you.

The money will belong to ONCORE (and the Directors no longer hold it in trust for you) as soon as the Directors issue shares to you (to the extent that they take it as payment for shares).

Your promises to us

You promise that:

- Your cheque will be honoured on presentation
- You, as an individual, are at least 16 years of age
- You have the authority to sign the application form. If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it
- You will supply us with proof of your identity and address if the Directors ask for it. We may need to do this to comply with the Money Laundering Regulations 2003. The Directors may have to hold back your shares until they see this.
- You are a resident in the United Kingdom
Demutualisation

You may not benefit financially from your shares if ONCORE converts, or transfers its business or is wound up. In this case, the only financial benefits you may receive from your shares are:

- The possibility of shares
- The possibility of the return of the money you paid for your shares

The Directors draw your attention to your obligations under rule 14 regarding the windfall if the Society converts, transfers its business or is wound up.

Should any greater financial benefit come into your hands, it will belong to such charity or community benefit society as we may nominate from time to time. You are to hold the benefit on trust for that charity or community benefit society.

To secure that (and your obligations under Rule 14.2 of our Rules) you appoint as your attorney the person holding office (from time to time) as our Secretary. That appointment is irrevocable. Your attorney has power to sign – on your behalf – an undertaking for which we may ask in accordance with Rule 14.3.

Miscellaneous

The law of England applies to these terms. The courts of England and Wales have exclusive jurisdiction. You will be bound by the rules of ONCORE (as may be amended from time to time) if the Directors issue shares to you.

The registered office for Oxford North Community Renewables Limited is: 56 Victoria Road, Oxford OX2 7QD

Advisers and bankers

Solicitors: Blake Lapthorn Solicitors, Seacourt Tower, Botley Road, Oxford, OX2 0FB

Bankers: Co-operative Bank
I/We wish to become a member of Oxford North Community Renewables Limited in accordance with the rules.

I/We apply for shares to the total value of £_________, and enclose payment for that amount (cheques payable to Oxford North Community Renewables).

To become a member requires the purchase of shares. For this offer, shares are offered in multiples of £500. The maximum possible shareholding is £20,000.

I wish to apply for (please tick as appropriate): 25 Year Pledge Shares* Returnable Shares

* In selecting 25 Year Pledge shares you hereby give notice that you wish to withdraw shares progressively each year from year 4 until year 25 on a schedule determined by the directors, and to waive any right to make any further requests to withdraw your shares.

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<tr>
<th>Applicant</th>
<th>Joint Applicant¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>First name(s) in full</td>
<td></td>
</tr>
<tr>
<td>Last Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
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<tr>
<td>Email</td>
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</tbody>
</table>

Share giving

If you wish to donate to LCON either the shares you have bought or the interest payments from your shares, please tick here and we will contact you with a further form to fill in.

Notices by email and documents on our website

To reduce our administrative costs, we would like to be able to send you formal notices by email, and refer you (via email) to documents posted on our website. By signing this form you consent to receiving such notices by email and accessing documents through our website.

Agreement

• I am at least 16 years old
• I agree to be bound by the terms and conditions included in the attached Offer document and the Rules of Oxford North Community Renewables Limited
• I understand that the Board may reject my application and does not have to tell me why it has been rejected.
• I consent to receiving formal notices by email and formal documents via ONCORE’s website.

Signature Date

Name in print

Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will only be used for ONCORE purposes and will not be disclosed to a third party. It is a term of the offer that to ensure complete compliance with the Money Laundering Regulations 2003, ONCORE may at its absolute discretion require verification of identity from any person seeking to invest.

Please return, enclosing your cheque, to:
Oxford North Community Renewables Limited, 56 Victoria Road, Oxford OX2 7QD

¹ For joint applications above 2, please photocopy this form and ensure that each applicant signs the form.
You can also choose to
• hold shares on behalf of children, and/or
• nominate a person to whom you wish your shares to be transferred on your death.

Please fill in the relevant section(s) below

Holding shares on behalf of children

If you wish to hold your shares on behalf of someone who is under 16, please fill in that person’s details below.

First name(s) in full

Last name

Address

Nomination of shares on your death

You can nominate a person to whom you wish your shares to be transferred on your death.

Please name your choice of nominee below and sign as a deed.

I understand that it may not be possible for Oxford North Community Renewables Limited to action this request and I and my heirs will not hold the Society responsible for its actions.

I understand that these instructions can only be revoked or amended by my giving clear written instructions to the Secretary of Oxford North Community Renewables Limited at the registered office.

I understand that trustees will need to be appointed if my nominee is under 16 years of age.

Signed as a deed

Your nominee’s full name

Your nominee’s address

Please sign here

A witness to your signature must sign here

Date

Please return, enclosing your cheque, to:
Oxford North Community Renewables Limited, 56 Victoria Road, Oxford OX2 7QD
Additional Documents

In addition documents that are available for your inspection at the registered office include

- The Rules of Oxford North Community Renewables Limited
- Letter of intent signed by The Cherwell School and the Oxfordshire County Council
- Invitation to tender issued by ONCORE
- Shortlisted bids
- Financial Model: forecast energy generation, carbon savings and financial returns for a 50kWp solar PV installation at The Cherwell School
- CVs of the directors
- Letter from LCON
- Relevant websites at www.oncore.org.uk and www.lcon.org.uk

Information on the feed in tariff is available at http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energy_mix/renewable/feedin_tariff/feedin_tariff.aspx

You may inspect these, during normal business hours, at the registered office with prior arrangement.