Community Bond Offer

June 2016

GAWCOTT FIELDS
COMMUNITY
SOLAR

Important Notice

This Offer Document has been prepared by Gawcott Fields Community Solar Project CIC and its Directors, who are responsible for its contents. It is published in accordance with the Financial Services and Markets Act 2000 and has been approved as a financial promotion for the purposes of Section 21 of that Act by Bates Wells & Braithwaite London LLP, a firm of solicitors authorised and regulated by the Financial Conduct Authority (registered FCA number 466148). It is for use only by Gawcott Fields Community Solar Project CIC and potential Applicants for the Bonds. Bates Wells & Braithwaite London LLP is not providing advice to any potential Applicant or to any other person as a recipient of this document or otherwise.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of such jurisdictions.

An Application to invest in the Bonds may only be made through Ethex, a not for profit organisation operating an online platform for positive investments. This Offer is made available on the basis that any investment can only be made via ethex.org.uk

Ethex is not required to be authorised by the Financial Conduct Authority in so far as it provides information on or arranges deals in investments. This is because it is an Enterprise Scheme, which is exempt from regulation in arranging financial deals provided it is not acting for financial gain. Further information can be found at **ethex.org.uk**

If you have a query about how to apply for this offer, please visit ethex.org.uk or contact Ethex on **01865 403 304** or by email at **help@ethex.org.uk**

For general queries about this offer, please contact **hello@gawcottsolar.co.uk**

You should not apply for any Bonds except on the basis of information set out in (a) this Offer Document and (b) the Terms and Conditions of the Offer on ethex.org.uk
Before applying you are advised to read the whole of this Offer Document, including the risks set out on pages 32 and 33 and the Terms and Conditions regarding this offer at ethex.org.uk. You should consider taking appropriate financial and other advice before making any investment decision.

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Directors' Welcome

The Directors of Gawcott Fields CIC are delighted to invite you to take part in our community bond offer. This is a small but significant step towards Buckingham and the surrounding area taking control of its energy future. Buckingham and the surrounding parishes spend nearly £20 million per year on energy, almost all of which leaves the local economy.

Gawcott Fields CIC is a professionally managed Community Interest Company that has been established to install and run a community solar farm at Gawcott Fields Farm, between Gawcott and Buckingham. The Community Solar Farm is expected to generate over 4 million kWh of renewable electricity each year, equivalent to the annual electricity consumption of around 1,000 homes.

Surplus income generated by the Community Solar Farm (after operating and finance costs) will be used as a "Community Surplus" to provide funding for community organisations and projects in the local area. It is expected that the Community Surplus will be around £10,000 per year for the first 4 years rising to £20,000 per year for the next 16 years. The Community surplus could be significantly more (over £1.5 million in total over the 30-year life of the project) if generation and inflation are slightly higher than the conservative figures used in the business plan.

Once up and running we will look to grow the board of directors with more local people and talk to local people and organisations about how the Community Surplus can best be used and managed to meet local needs.

This Bond Offer is being launched to help raise up to £2 million towards the capital needed to build the Community Solar Farm. It gives people the opportunity to invest in the Community Solar Farm, earn an interest rate of 6% per year (the interest rate may vary to some degree year-on-year due to performance and availability of funds) with capital returned over 20 years, and to get involved in generating local energy. Investments can be made from £250.

We want Gawcott with Lenborough, Buckingham and neighbouring communities to get behind this, and are giving first priority to local residents. We would also welcome participation from community organisations and businesses.

Please read the Offer Document carefully, including the risks set out on pages 32 and 33, and we look forward to welcoming you onboard.

16,000 SOLAR PANELS

POWER 1,000 HOMES

6% INTEREST PER YEAR TO YOU

OVER £1.5 MILLION TO THE LOCAL COMMUNITY

Key Facts

Bond: *The debt security to be issued by Gawcott Fields Community Solar Project CIC*

Purpose: *To help fund a 4.17MWp community solar farm at Gawcott Fields Farm, between Gawcott and Buckingham*

Maximum Sum that can be raised: *£2 million*

Minimum Sum to raise for the Offer to proceed: *£100,000*

Bond interest: *An interest rate of 6% subject to the possibility of some annual variation based on performance and availability of funds. Interest will be paid annually (subject to withholding tax for individual Bondholders) and has the potential to increase with inflation. Please see pages 18 and 19 for more details about how interest is calculated and how and why the amount paid might vary from year to year*

Maturity Date: *31st August 2036 (unless repaid early by Gawcott Fields CIC)*

Minimum investment per Applicant: *£250*

Anticipated Community Surplus: *£10,000 per year for first 4 years rising to £20,000 per year for the next 16 years*

Pre-Conditions for Offer close: *Bank Loan finalised and commissioning of the Community Solar Farm prior to 29th June 2016*

Eligibility: *Any individual over the age of 18 or an organisation may apply for Bonds. To encourage local community ownership, priority will be given to those who live within the Local Community (see further below)*

Timetable: *The Offer will remain open to Applications up to the value of the Maximum Sum, or until 31st August 2016, whichever is the earlier. The Directors may extend the Offer Period at their discretion (but to no later than the longstop date of 31st December 2016)*

How to apply: *An Application to invest in the Bonds may only be made through Ethex under the Terms and Conditions available on ethex.org.uk Please visit* **www.ethex.org.uk/GawcottFields** *to complete the Application Form*

Any decision to apply for the Bonds should be based on consideration of the Offer Document as a whole, including the risks set out on pages 32 and 33, and the Terms and Conditions on ethex.org.uk

Technical and other words and phrases used in this Offer Document with a particular meaning are defined and explained in the Glossary. No advice on investments is given in this Offer Document, or by the promoters in relation to it. If any person has any doubt about the appropriateness or suitability of the investment which is the subject of this Offer Document, they should contact an appropriate authorised person for advice on investments.

Any complaints about this Offer or about the Bonds should be sent to the Directors of Gawcott Fields Community Solar Project CIC at Tremough Innovation Centre, Penryn, TR10 9TA. Reference may also be made to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

OFFER TIMETABLE

8th June 2016: *Offer opens*

31st August 2016 (unless closed early or extended): *Intended date for Offer close*

Within 4 weeks of close: *Bond Certificates posted to Bondholders*

31st December 2016:
Longstop date for Offer Period

First payment of interest:
Following AGM in November 2017

Subsequent payments of interest:
Annually following AGM in November


Stowe
Akeley
Maids Moreton
Chackmore
Water Stratford
Buckingham
Finmere
Tingewick
Gawcott
Padbury
Preston Bissett
Chetwode
Hillesden

About Gawcott Fields Community Solar Project CIC

Gawcott Fields CIC is a professionally managed Community Interest Company that has been established to develop and operate a community solar farm at Gawcott Fields Farm between the village of Gawcott and Buckingham.

The purpose of Gawcott Fields CIC is to benefit the Local Community through generating low carbon electricity and income to help fund local community organisations and projects, including energy and fuel poverty initiatives.

The 'Local Community' is defined as the parishes within a 5km radius of the Community Solar Farm.

Site view from the southern boundary

Further information about Gawcott Fields CIC, including its governing Articles of Association, may be found on our website www.gawcottsolar.co.uk. The Articles set out the community purpose of Gawcott Fields CIC, how it will be governed and how its community purpose is protected (including by an 'Asset Lock').

Gawcott Fields CIC has been set up with the support of Communities for Renewables CIC (CfR), a specialist community energy advisory company that is itself a Community Interest Company, and which has provided two of the Directors for Gawcott Fields CIC. CfR will provide ongoing administration services support to the board of Gawcott Fields CIC. Once the Offer is completed, the intention is to build local participation in the governance of Gawcott Fields CIC, including by appointing further local Directors.

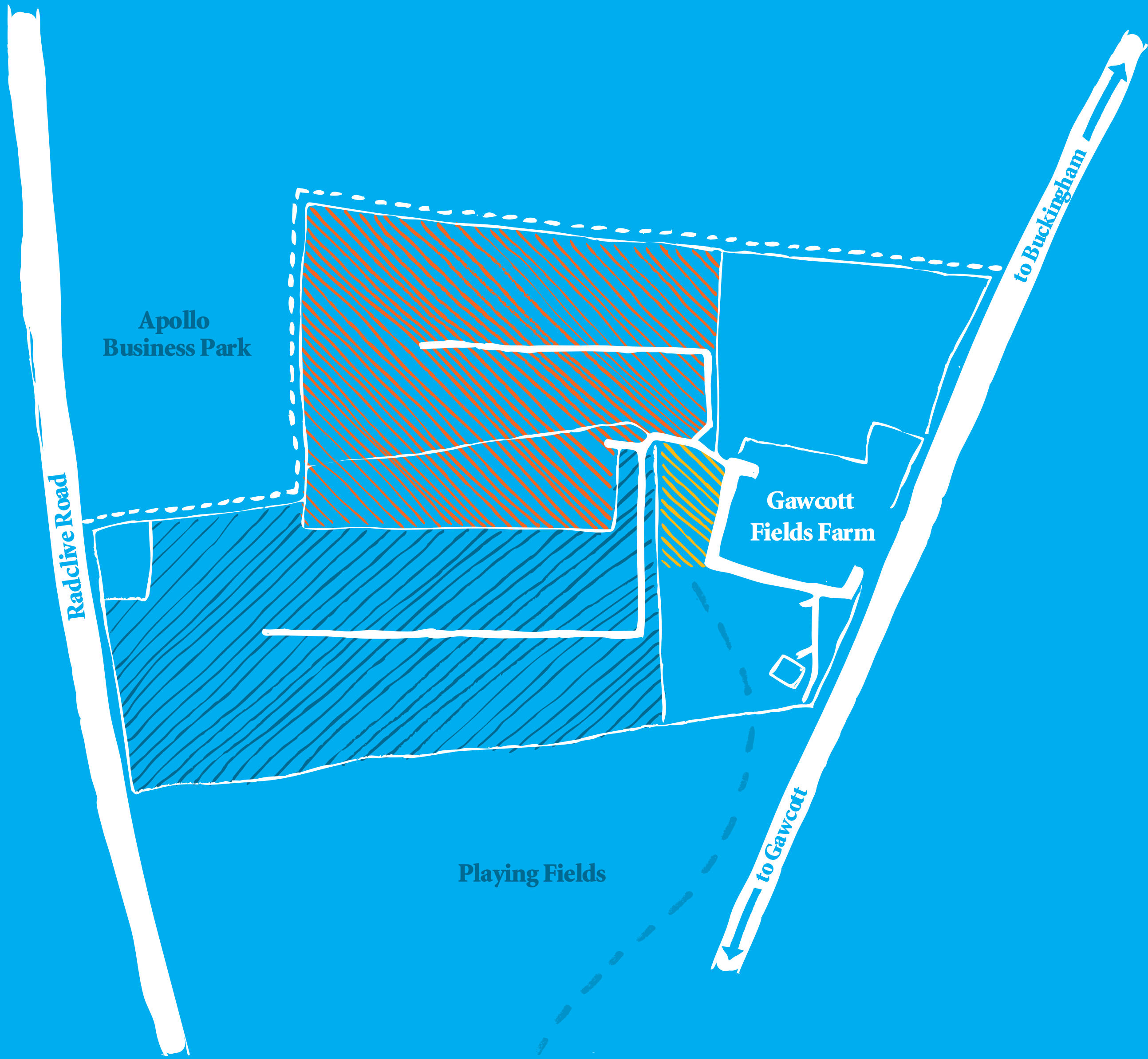
The Community Solar Farm

The Community Solar Farm is one of two solar farms developed at Gawcott Fields between the village of Gawcott and the town of Buckingham. Planning consent for both solar farms was granted in October 2014. Construction of the first solar farm, which is owned by the Landowner (a local farming family), was completed in December 2015. The Landowner has agreed that the second solar farm should be financed and operated as a community project for the benefit of the Local Community.

The Community Solar Farm will be made up of over 16,000 panels with a total installed capacity of 4.17MWp. It is expected to generate over 4,100MWh of renewable electricity each year, enough to power around 1,000 homes. The fields containing the solar farm installations will be managed as a wild flower meadow to encourage wildlife, especially bees, and a field next to the two solar farms is being made available for bee keeping. New hedgerows are planned in order to improve habitat and help screen the solar farms from neighboring houses.

All the necessary consents and agreements required to build the solar farm are in place. Following a competitive tender process, Pfalzsolar GmbH has been appointed to build the Community Solar Farm and provide operations and maintenance services for the first 10 years. Pfalzsolar is also funding construction to enable the Community Solar Farm to be built in parallel with raising long-term finance. The key components of the installation are high quality and the installation of the solar farm will be signed off by an independent technical advisor prior to acceptance.

Construction is now underway and needs to be completed by the 29th June 2016 in order to qualify for the pre-accredited FiT. The FiT has been secured at the June 2015 rate of 6.16p/kWh which stands for a 20 year period. This rate was secured prior to the substantial tariff reductions implemented from July 2015 onwards. The Community Solar Farm and adjoining Landowner-owned project share a connection to the local electricity network through which the electricity generated is exported. The grid connection infrastructure has already been installed to enable the first solar farm to be connected in December 2015. A 30-year lease between Gawcott Fields CIC and the Landowner is in place for the Community Solar Farm site.



New Gawcott Fields Community Solar Farm

Existing Landowner Owned Solar Farm

Bee Keeping

Public Footpath

Gawcott Fields Community Solar Farm technical info	
Rated capacity	*4.17MWp*
Expected annual net generation	*Approximately 4,100MWh per annum*
Technology	*Panel manufacturer: REC Solar EMEA Inverter Manufacturer: Sungrow Deutschland GmbH*
Installer	*Pfalzsolar*
Service and maintenance	*Pfalzsolar*
Warranties	*Panels (10yrs), Inverters (5yrs)*
Land lease	*30 years*
Expected operational life	*30 years*

How the community bond will be used

The construction of the Community Solar Farm is being funded by Pfalzsolar. All other costs including permitting and associated work, the grid connection infrastructure, raising finance and establishing Gawcott Fields CIC itself, have been funded by the Landowner. This enables the construction of the Community Solar Farm to proceed to completion and operation in parallel to raising long-term finance from this Offer and a bank loan.

The intention is to repay Pfalzsolar and the costs funded by the Landowner through the capital raised from a proposed long-term project finance loan from Santander (or a loan on equivalent terms from an alternative provider) and this Offer. Gawcott Fields CIC is in advanced discussions with Santander regarding this long-term project finance, and a description of the terms provisionally agreed between Santander and Gawcott Fields CIC is contained in Appendix 2 under the heading "Santander Loan". In this Offer Document, the long-term project finance to be provided by the Santander Loan (or a loan on equivalent terms from an alternative provider) is referred to as the "Bank Loan".

The total capital required to repay Pfalzsolar and the Landowner's costs is £4.5 million ("Total Project Capital"). It is intended that 55% to 70% of this Total Project Capital will be funded through the Bank Loan and the balance raised through this Offer.

The Maximum Sum that can be raised under the Offer is £2 million, which is 45% of the Total Project Capital and assumes that the balance will come from the Bank Loan. If the Offer and Bank Loan do not raise the full Total Project Capital, the Landowner and Pfalzsolar may defer repayment of some of their costs. In this case, the deferred repayment could convert to a loan and attract interest at the same rate as the Bonds. The Bank Loan will not be finalised until the Landowner and Pfalzsolar can be repaid in full or have agreed to defer repayment of their costs. If the Offer does not reach the Minimum Sum (£100,000) or the Bank Loan is not finalised by 31 December 2016, the Offer will not complete, and Applicants will have their investment returned in full without interest.

How solar PV works

Solar panels are made of layers of semi-conducting material, usually silicon, which produce an electric charge when they are hit by sunlight. This process is silent and there are no moving parts or emissions. Stronger sunshine will produce more electricity but PV cells do not need direct sunshine to work and can produce electricity on a cloudy day.

Inverters are used to transform the electricity from the direct current (DC) produced by the panels into alternating current (AC) with a frequency and voltage matching the electricity grid.

Solar PV is a well-established and proven technology. At the end of 2014 the International Energy Agency reported that just over 175GW of solar PV was installed around the world.

Qualifying solar PV projects benefit from financial assistance from government renewable energy schemes, including the Feed-in Tariff scheme (FiT). The FiT aims to support individuals and organisations, including communities, to generate low-carbon electricity using small-scale installations. It consists of two elements – a generation tariff and an export tariff.

Once a project has been accredited under the FiT scheme by Ofgem, the relevant generation tariff is secured for a period of 20 years of operation. Although there have been some recent reductions in the value of these tariffs these changes will not affect the generation tariff secured by the Community Solar Farm, where pre-accreditation has already been granted by Ofgem.

Construction is underway. Here is the very first post to go in the ground with the second about to follow. These posts (plus quite a few more!) will support the 16,000 solar panels.


COMMUNITY CENTRE
RIVERSIDE WALK


x CHICKEN
BANTUM
6x DUCK
1x GOOSE
THANK


HILLESDEN
CHURCH END


KEEP TO THE
DOGS TO BE
KEPT ON LEAPS


GAWCOTT

The Bond

Issuer	*Gawcott Fields Community Solar Project CIC*
Maximum Sum to raise	*£2 million*
Minimum Sum to raise	*£100,000*
Status	*Unlisted (but transferable, subject to conditions)*
Maturity Date	*31st August 2036 (unless repaid early by Gawcott Fields CIC)*
Interest	*An interest rate of 6% subject to the possibility of some annual variation based on performance and availability of funds. Interest will be paid annually (subject to withholding tax for individual Bondholders) and has the potential to increase with inflation. Please see pages 18 and 19 for more details about how interest is calculated and how and why the amount paid might vary from year to year.*
Security	*Unsecured*
Reporting	*Annual accounts will be prepared by Gawcott Fields CIC's accountants and presented to the Bondholders following the Annual General Meeting and published on our website, as will a social impact report prepared by the Directors.*
Transferability	*The Bonds are transferable and Bondholders may be able to sell their Bonds on a matched bargain basis through Ethex (see below).*

The Bond Instrument

Bonds will be issued under the terms of the Bond Instrument included in Appendix 4. Applicants should read the Bond Instrument carefully to make sure they understand the terms of the Bond.

Interest Rate

The Directors expect Bondholders to receive an average of 6% interest over the 20 year term of the Bonds, although some variation in the level of interest payments from year to year may occur. The Financial Projections in this Offer Document, which have been approved by Westerly Chartered Accountants, support the Directors' expectation.

However, if the performance of the Community Solar Farm means that Available Funds are lower than anticipated in the business plan, interest payments to Bondholders may need to be reduced. In this case, a full explanation will be given by the Directors at the annual general meeting and communicated to Bondholders.

If interest is not paid at 6% in any year, the relevant shortfall will roll over until the shortfall is paid or the 20 year term of the Bonds comes to an end. If a bad year is followed by a good year, this means that interest paid on Bonds could fluctuate from, for example, 4% in the bad year to 8% in the good year. However, the Directors generally expect to be able to pay interest on the Bonds at or close to 6% in most years and do not expect large variations in interest payments over the term of the Bonds.

If at the end of the term a shortfall(s) remain, then the relevant shortfall(s) will be cancelled and will no longer be due to Bondholders. There is therefore a risk that the average interest rate paid to Bondholders over the term of the Bonds may be less than the 6%. Bondholders will not earn

interest on any shortfall whilst such shortfall is outstanding.

Available Funds

The available funds for payment of Bondholder interest in each year will be the revenues generated by the Community Solar Farm following deduction of relevant operational and financing costs, the setting aside of any reserves needed to comply with the Santander Loan and for operational purposes **and after setting aside the minimum amount that the Directors wish to reserve for the Community Surplus in each year during the 20 year term of the Bonds, being £10,000 (the "Community Reserve").** The concept of Available Funds is defined more precisely in the Bond instrument.

Increased interest payments

Bondholders will also share in any increased revenues of Gawcott Fields CIC as a result of increases in inflation. This Offer allows Bondholders to receive increased interest payments if the rate of inflation that applies to the FiT increases to 3% or more and Gawcott Fields CIC receives increased FiT payments as a result. If this is the case, the Directors will allocate the increased FiT payments equally between increased interest payments for Bondholders and increased payments towards the Community Surplus, as long as there will be no material adverse effect on Gawcott Fields CIC in doing so.

As an example, if the rate of inflation applying to FiT rises to 4% and Gawcott Fields CIC receives increased FiT payments as a result, the payments derived from inflation above 3% - 1% in this example – will be split equally between Bondholders and the Community Surplus, meaning that Bondholders would be entitled to receive additional interest of 0.5%.

For the full terms regarding interest, please see Schedule 1: Part 2 of the Bond Instrument in Appendix 4.

Timing of interest

Interest payments will be calculated by reference to an annual period running from 1st September – 31st August. **The first interest payment for the period up to 31st August 2017 will be made following the AGM in November 2017, and subsequent interest payments will be made in November each year.**

Tax

Under withholding tax rules, interest payments will be paid to Bondholders net of tax at the basic rate for income tax (currently 20%). Gawcott Fields CIC will pay the deducted tax amount to HMRC and arrange for tax statements to be issued to all Bondholders.

Applicants should be aware that they may need to declare the interest they have received to HMRC, and use the tax statement issued to them by Gawcott Fields CIC to do so. Further information on tax can be found in Appendix 3. **If Applicants are in any doubt about their position they should consider taking appropriate financial and other advice from a suitably qualified professional.**

If an Applicant is not resident in the UK for tax purposes they should not proceed to invest in the Bonds without first contacting Gawcott Fields CIC.

The table below sets out the anticipated cash returns per £1,000 subscribed on the basis that the Bondholder is repaid their capital at the end of year 20.

Illustrated Bondholder interest and capital return over 20 years		Amount Invested	£1,000
		Average Interest Rate*	6%
Total accumulated estimated cash return per £1,000 investment, repaid at the end of 20 years			
	Accumulated Bondholder Interest if at 6% per year	**Capital Repayments**	**Cumulative Cash Received**
Years 1-5	£300		£300
Years 6-10	£300		£600
Years 11-15	£300		£900
Years 16-20	£300	£1,000	£2,200

**Subject to the possibility of inter-annual variation, as described above*

Maturity

The Bond matures after 20 years, on 31st August 2036, and **Bondholders should plan for their capital to be invested for the full 20 year period.** Unless repaid early, Bondholders will be returned their full capital within 60 days of 31st August 2036.

There are three situations where Bondholders may be repaid their capital before the end of the 20 year period:

(a) Optional early repayment by Gawcott Fields CIC: Bondholders may be repaid some or all of their capital early if the Directors believe it will advance the community purpose of Gawcott Fields CIC to do so. For example, if there are surplus cash reserves or a lower cost re-finance option becomes available, it will advance Gawcott Fields CIC's community purpose to replace the cost of servicing the interest on the Bonds by either using cash reserves to repay Bond capital, or to replace Bond capital with the lower cost re-finance option. This will mean that more funds are available for the Community Surplus.

In these circumstances the Directors will contact the Bondholders to ask if they would like to apply to be repaid some or all of the capital they have invested and Bond capital will be repaid pro-rata amongst those Bondholders applying for repayment.

If the Directors receive applications for repayment which are less than the amount the Directors believe should be repaid to benefit the community purpose, the Directors may decide to return Bond capital to all Bondholders in order to achieve the required amount. In this case, those who have applied for repayment will be repaid the amount they have applied for in full, and the remaining amount will be repaid to all other Bondholders pro-rata.

Where a Bondholder's capital is partially repaid, interest will continue to accrue on the amount that has not been repaid.

(b) Early repayment by Gawcott Fields CIC in exceptional circumstances: Where the Directors are of the opinion that exceptional circumstances apply to the extent that Gawcott Fields CIC is required to redeem the Bonds in order to avoid a material adverse effect on the Community Solar Farm or Gawcott Fields CIC, Bondholders may be repaid all or a portion of the capital. The Directors would only use this route in exceptional circumstances and do not anticipate the need to do so.

(c) Selling Bonds: Bondholders may be able to sell their Bonds to another investor using the matched-bargain facility available through Ethex. Please note there is no guarantee that you will be able to sell your bonds for the full price that you paid for them.

Selling your Bonds

Although the Bonds are transferable, they will not be listed on a recognised stock exchange due to the considerable costs involved. Instead, Gawcott Fields CIC intends to use Ethex (www.ethex.org.uk) to provide a platform for selling and buying the Bonds. Ethex is a specialist, not-for-profit organisation designed to support the growth and development of social and environmental businesses.

Through Ethex, Bondholders may be able to buy and sell Bonds on a matched bargain basis whereby registered sellers are matched with registered buyers. A modest charge will be applied by Ethex which can be reduced if the Bondholder opens an Ethex Member Account (providing access to other Ethex portfolio services).

Applicants should be aware that there can be no guarantee that a market in the Bonds will develop, whether through the platform provided by Ethex or at all.

Offer timetable

The Offer will remain open to Applications up to the value of the Maximum Sum, or until the Closing Date (31st August 2016), whichever is the earlier. The Offer will only close if the pre-conditions for Offer close have been met: commissioning of the Community Solar Farm by 29th June 2016 and the Bank Loan finalised. The Directors may extend the Offer Period at their discretion (but to no later than 31st December 2016). Applications will be dealt with on a first come, first served basis. In the event that Applications are received before the Closing Date in excess of the Maximum Sum, priority will be given to Applications from people and organisations within the Local Community, and Applications received from those outside of the Local Community may need to be scaled back.

Ethex will act as receiving agent for Application Funds, which will be kept in a separate client bank account controlled by Ethex until the Offer closes.

If the Minimum Sum is achieved and the Bank Loan has been finalised by 31st August 2016, funds held by Ethex will be transferred to Gawcott Fields CIC. In that case, those who have applied by 12.00 noon on 31st August 2016 will be issued their Bonds and earn interest on a daily basis from 1st September 2016 and will receive their Bond Certificates within 4 weeks of 31st August 2016.

If the Bank Loan is not finalised by 31st August 2016, the Offer Period will be extended until the Bank Loan is finalised, but no later than the longstop date of 31st December 2016.

Until the Bank Loan is finalised, Bonds will not be issued, interest will not start to accrue, and all Application Funds will remain with Ethex. If the Bank Loan is not finalised by 31st December 2016, the Offer will not proceed and all Application Funds will be returned in full without interest.

If the Offer Period is extended, those who apply after 12.00 noon on 31st August 2016 will earn interest on a daily basis, and receive their Bond Certificates, from the date specified by the Directors when notification is given of the extended closing date. For these Applicants, their interest payments for the first year will be lower than in subsequent years to reflect the later date when their Bonds are issued.

If the Minimum Sum has not been reached by 12.00 noon on 31st August 2016 (or any extended closing date) or the Community Solar Farm is not commissioned prior to 29th June 2016, the Offer will be withdrawn and the Application Funds will be refunded in full without interest within 14 days.

- 8th June 2016 - *Offer opens*
- 31st August 2016 (unless closed early or extended) - *Intended date for Offer close*
- 31st December 2016 - *Longstop date for Offer Period*
- Within 4 weeks of close - *Bond Certificates posted to Bondholders*
- First payment of interest - *Following AGM in November 2017*
- Subsequent payments of interest - *Annually following AGM in November*

How to apply for the Bonds

An Application to invest in the Bonds may only be made through Ethex under the Terms and Conditions available on ethex.org.uk. Ethex will provide instructions to all Applicants regarding when and how their Application Funds should be available for transfer.

As an investment for the future with a term of up to 20 years, you may wish to apply for Bonds on behalf of a child or grandchild who is under 18. If so, please apply for the Bonds in your own name, and inform Gawcott Fields CIC of your intention to hold the Bonds on behalf of your nominated person by emailing gawcottfields@cfrcic.co.uk. Once the nominated person reaches 18, Gawcott Fields CIC will automatically transfer the Bonds into their name, and contact them to establish the correct details for interest payments. Until this point, you will be treated as the owner of the Bonds, and interest payments will continue to be made to the bank account details that you provide on application.

Alternatively, you may wish to apply for Bonds on your own behalf and provide that the Bonds are inherited according to the instructions in your will. Bondholders should consider the tax implications of transferring Bonds and take advice from an appropriately qualified person if they are unsure of their position.

Please visit **www.ethex.org.uk/GawcottFields** to complete the Application Form.

Bond certificates

Each Bondholder is entitled to receive a Certificate as evidence of their investment in the Bonds. The issue of Bond Certificates will be managed by Registry Trust. A template Certificate can be found within the bond instrument at Appendix 4.

The Team

Gawcott Fields CIC will be governed by a voluntary board of directors in accordance with its Articles of Association. Following completion of the Offer the intention is to grow the board of directors with representatives from the Local Community.

A number of local people have already expressed interest in joining the Board. In addition Gawcott Fields CIC's accountants, Buckingham firm Tearle & Carver, have offered pro-bono support to the Board in addition to providing accountancy services.

The Directors at the time of the Offer are:

William (Jake) Burnyeat
Jake is Managing Director of Communities for Renewables CIC (CfR) and a voluntary director of a number of community energy enterprises which CfR has helped to set up. Jake is a renewable energy professional with over 12 years' experience covering renewable energy project development, business start-up and management and providing strategic advice to community energy enterprises, local authorities and a range of large corporations. He has an MSc in Renewable Energy Policy and Economics from Imperial College London and a 1st class MA in Social Anthropology from the University of St Andrews.

Tom Cosgrove
Tom is Development Manager of Communities for Renewables CIC (CfR) and a voluntary director of a number of community energy enterprises which CfR has helped to set up. Tom has 7 years' experience in development of commercial-scale renewable energy projects across the UK. Since joining CfR, Tom has led the procurement and financing of 13MW of community solar projects. Tom has a BSc (hons) in Renewable Energy from the University of Exeter.

Ian Payne
Ian is the CEO of Citizens Advice Buckingham, Winslow & District, where he has worked for the last nine years. As such, he has wide experience of the fuel poverty issues in the area and the need to provide local residents with practical solutions to this and other advice issues.
Prior to working for Citizens Advice, Ian worked in the financial services industry, responsible for technical and management development, and was responsible for graduate recruitment for a national supermarket chain. Ian was also Chair of Governors at a local Buckingham school for 8 years. He has a degree in Geography from the University of Birmingham.

Declaration
Gawcott Fields Community Solar Project CIC and its Directors are responsible for the information given in this Offer Document. Gawcott Fields Community Solar Project CIC and each of its Directors hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Offer Document is to the best of its or his knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

Management and administration of Gawcott Fields CIC

It is intended that Gawcott Fields CIC will be professionally managed by Communities for Renewables CIC (CfR) under an administrative services agreement. This agreement will include: company secretary services, day to day administration and Board support, Bondholder and local stakeholder communications.

About Communities for Renewables CIC

CfR is a specialist advisory company that helps local energy enterprises to develop, finance and manage renewable energy generation schemes that are owned by and run for the benefit of the local community. CfR also provides strategic advice to help set up local energy enterprises and develop business models that help to reduce and localise energy spend, tackle fuel poverty and generate income to re-invest in the local community.

CfR is, like Gawcott Fields CIC, a Community Interest Company (CIC). CfR therefore exists primarily for the benefit of the community, and any surplus made by CfR is re-invested in supporting further community energy projects. CfR is run by a team of experienced renewable energy, finance and legal professionals. CfR has worked with over 20 local energy enterprises to help deliver over £15 million of community energy projects. For further information on CfR's team, services and experience contact: *Communities for Renewables CIC, Tremough Innovation Centre, Penryn, Cornwall TR10 9TA* ***www.cfrcic.co.uk***

Other advisors to the Offer

Financial advisors: *Westerly Chartered Accountants*
24 Orchard Road, Wrafton, Braunton, Devon, EX33 2DZ ***www.westerlyaccountancy.co.uk***

Legal advisors on the Offer: *Bates Wells & Braithwaite London LLP*
10 Queen Street Place London, EC4R 1BE ***www.bwbllp.com***

Legal advisors on the Material Contracts (Substation Sharing Agreement, Lease): *Foot Anstey*
100 Victoria Street, Bristol BS1 6HZ ***www.footanstey.com***

Legal advisors on the Material Contracts (EPC and O&M agreements): *Osborne Clarke LLP*
2 Temple Back East Temple Quay, Bristol BS1 6EG ***www.osborneclarke.com***

Offer online marketing, application platform and receiving agent: *Ethex*
The Old Music Hall, 106-108 Cowley Road, Oxford OX4 1JE ***www.ethex.org.uk***

Document design: *Beanwave*
First Floor, 9 Bridge Street, Buckingham, Buckinghamshire, MK18 1EL ***www.beanwave.co.uk***

Bond issue administration, registrar and ongoing bond holder relations: *Registry Trust*
153-157 Cleveland Street, London, W1T 6QW ***www.registry-trust.org.uk***

CIC Regulator

As a Community Interest Company, Gawcott Fields CIC is regulated by the Community Interest Company Regulator and must ensure that it operates within relevant guidance and legislation. Each year it must submit a social impact report (CIC34 Form) to the Regulator with its annual accounts to demonstrate how it has involved and benefited the Local Community.

OVER £1.5 MILLION GENERATED FOR LOCAL COMMUNITY PROJECTS!

It is expected that the Community Surplus will be around £10,000 per year for the first 4 years rising to £20,000 per year for the next 16 years. The Community surplus could be significantly more (over £1.5 million in total over the 30-year life of the project) if generation and inflation is slightly higher than the conservative figures used in the business plan (shown on page 28).

Financial Information

Business Overview

Gawcott Fields CIC is a Community Interest Company that exists to benefit the Local Community through the construction and operation of the Community Solar Farm.

The Community Solar Farm will generate income from the sale of electricity, Feed-in Tariff (FiT) payments and other energy related income streams. This income is projected to:

- Cover the costs of maintaining the Community Solar Farm, administer Gawcott Fields CIC and build up reserves to cover component replacement in the future;
- Repay loans made to Gawcott Fields CIC by Pfalzsolar, Santander and the Landowner and meet the interest payments due to Bondholders who have invested in this Offer.

Surplus income after operating and finance costs and building up reserves will be used to support projects in the Local Community, such as providing grants to community organisations and funding for low carbon infrastructure, community energy generation, fuel poverty and energy efficiency initiatives. As explained above, in each year during the 20 year term of the Bonds there will be a Community Reserve of £10,000.

The Community Solar Farm is expected to have an operational lifetime of 30 years. Once it is up and running Gawcott Fields CIC may expand its activities, including by exploring models for supplying electricity to local consumers, developing further community owned renewable energy installations, and other energy-related business models that generate income and local benefit.

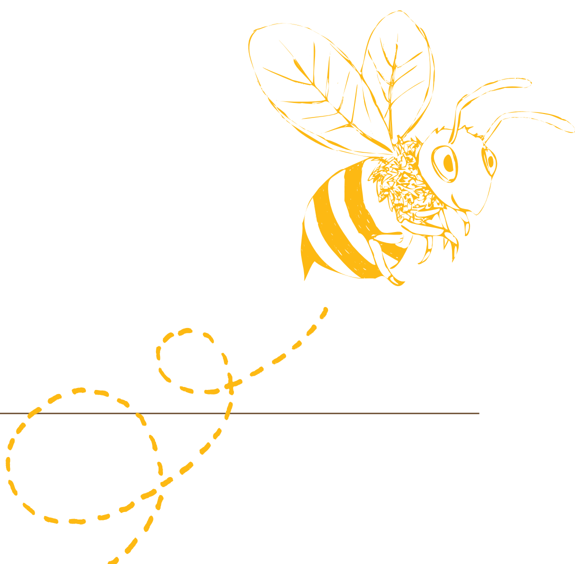
Commencement of Operations

The Community Solar Farm is set to be commissioned and connected to the electricity network by 29th June 2016. Some construction and testing works will continue for a month or more after commissioning. However, from commissioning onwards the Community Solar Farm is able to generate income from the sale of electricity and FiT payments.

Financial Projections

The Directors have commissioned financial advisors Westerly Chartered Accountants to assist them in producing the Financial Projections and have provided Westerly Chartered Accountants with the relevant assumptions upon which the Financial Projections are based. The Financial Projections show that the business (including satisfying interest payments to Bondholders at an average rate of 6% over the 20 year term of the Bonds) is viable on the basis of reasonable assumptions made by the Directors at the time of the Offer.

However, please note that 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 Risk Factors section in this Offer Document for more information.



Third Party Information

General information sourced from third parties in this Offer Document has been accurately reproduced as far as the Directors are aware and are able to ascertain from information published by that third party. No facts have been omitted which would render any such reproduced information inaccurate or misleading.

Westerly Chartered Accountants are responsible for content included in this Offer Document to the extent stated in the Accountant's letter on page 29.

Income

The total projected income from FiT payments and electricity sales over the first 20 years is £10,806,000. FiT payments will end at the end of June of year 20. A further £2,996,000 is projected over years 21 – 30 from electricity sales alone.

FiT payments are made for each kilowatt-hour of electricity generated. A pre-accreditation application was submitted to Ofgem (the UK energy regulator which administers the FiT) in June 2015. The pre-accreditation has subsequently been confirmed. This secures the FiT rate for the Community Solar Farm at 6.16p/kWh (inflated with RPI) for 20 years as long as the Community Solar Farm is commissioned by 29th June 2016 and is built in accordance with the pre-accreditation application.

The electricity generated by the Community Solar Farm will be sold to an energy supplier at the FiT export tariff rate which is currently 4.91p/kWh. Gawcott Fields CIC intends to enter into a market value-based Power Purchase Agreement with an energy supplier if and when this becomes preferential to the FiT export tariff rate.

If the Community Solar Farm is not built in time to secure the pre-accredited FiT, the Offer will be withdrawn and the Application Funds will be refunded in full without interest.

Expenditure

Operating costs for the Community Solar Farm include service and maintenance, insurances, business rates, asset management and land rent. Gawcott Fields CIC intends to build up a reserve fund to cover foreseeable component replacement and repair costs that fall outside of the warranties and service and maintenance agreements.

Administrative costs include company and director insurances, book-keeping, annual accounts, bondholder administration and the administrative services contract with CfR.

Borrowing

It is intended that the Bank Loan will provide a first-ranking long-term loan facility, and the Directors are in advanced discussions with Santander about providing the Bank Loan. Santander is also providing a long-term loan to the adjacent solar farm owned by the Landowner.

If the funds raised by this Offer and the Bank Loan do not raise the full amount required to repay costs funded by the Landowner and Pfalzsolar, there will also be ongoing loan arrangements with the Landowner and Pflazsolar, as described above.

Please refer to Appendix 3 for further information on the Santander Loan and arrangements with the Landowner and Pfalzsolar.

Community Surplus

The business plan for the Community Solar Farm, including the income, expenditure and borrowing costs described above, indicates that the Community Surplus generated by the Community Solar Farm will be around £10,000 per year for the first 4 years rising to £20,000 per year until year 20.

The base case business plan (shown on next page) uses the technical advisor's estimate for long-term average annual electricity generation and an average inflation of 1.5% for the first 2 years and an average of 2% thereafter. The upside business plan assumes average annual electricity generation is in line with the installer's yield estimate and inflation averages 2.5%. The upside business plan indicates the Community Surplus generated over 30 years will be over £1.5 million.

Base case business plan and upside business plan

	Base Case				Upside		
	1st full year	Total years 1–20	Total years 21-30		1st full year	Total years 1–20	Total years 21-30
Revenue	*£466,000*	*£10,806,000*	*£2,996,000*		*£477,000*	*£11,606,000*	*£3,454,000*
Operating Costs	*£331,000*	*£7,174,000*	*£2,186,000*		*£331,000*	*£7,323,000*	*£2,451,000*
Bank Loan Interest	*Circa 5%**	*Circa 5%* on outstanding capital per year - 15 year term*	*NA*		*Circa 5%**	*Circa 5%* on outstanding capital per year - 15 year term*	*NA*
Bondholder interest	*6%*	*6% per year with capital returned by the end of year 20*	*NA*		*6%*	*6% per year with capital returned by the end of year 20*	*NA*
Anticipated Community Surplus	*£10,000*	*£360,000*	*£150,000*		*£10,000*	*£550,000*	*£1,000,000*

** Indicative rate*

Key Assumptions

The Financial Projections are based on the following Key Assumptions:

- The total cost of developing, financing and constructing the Community Solar Farm is £4.5 million.
- The Community Solar Farm will generate an average of 4,100MWh per year. This is the long-term average yield as advised by the Gawcott Field CIC's technical advisors.
- Maximum degradation in solar panel performance is 0.4% per year.
- Inflation (RPI) is 1.5% for the first 2 years and averages 2% thereafter.
- The FiT generation and export tariff both increase annually with RPI. If wholesale electricity prices increase above the export tariff level and the Community Solar Farm switches to a market-based Power Purchase Agreement this could provide a future upside. There is also a possibility the export tariff could be reduced.
- The Santander Loan is secured in line with terms set out in this Offer Document.
- Corporation tax and capital allowances remain at similar levels to the time of the Offer.

Any one of the Key Assumptions not being realised is likely to result in adjustments to the Financial Projections. Financial projections and assumptions such as those set out in this Offer Document are inherently less reliable over longer time spans.

Offer Costs

The costs of making this Offer have been funded by the Landowner who will be repaid out of the proceeds of the Offer assuming the Minimum Sum is met. The Offer Costs are not expected to exceed £82,200.

Chartered Accountants

The Directors
Gawcott Fields Community Solar Project CIC
Tremough Innovation Centre
Penryn
TR10 9TA

Dear Sirs,

We report on the Financial Projections comprising the projected income & expenditure account of Gawcott Fields Community Solar Project CIC ("the Company") for the 30 years ending 2046 (the "Financial Projections"). The Financial Projections, and the Key Assumptions on which they are based, are set out on pages 26-28 of the document issued by the Company on 8th June 2016 (the "Document"). This report is given for the purpose of enabling compliance with the Financial Conduct Authority's Conduct of Business Rules (the "Conduct of Business Rules") and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the Financial Projections in accordance with the requirements of the Conduct of Business Rules.

It is our responsibility to form an opinion as to the proper compilation of the Financial Projections and to report that opinion to you to enable compliance with the Conduct of Business Rules.

Basis of Preparation of the Financial Projections

The Financial Projections have been prepared on the basis stated in the Financial Information section of the Document.

The Financial Projections are required to be presented on a basis consistent with the accounting policies of the Company.

This report is made solely to the Company's Directors, as a body, in accordance with our engagement letter dated 3 June 2016. Our work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Directors, as a body, for our work, for this report, or for the opinions we have formed.

Westerly Accountancy Limited
24 Orchard Road, Wrafton, Devon EX33 2DZ
Company Reg. number 08750286

WA
Chartered Accountants

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis upon which the Financial Projections have been prepared and considering whether the Financial Projections have been properly computed based upon the disclosed assumptions and the accounting policies of the Company. Whilst the assumptions and the accounting policies upon which the Financial Projections are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors, which in our opinion are necessary for a proper understanding of the Financial Projections, have not been disclosed, or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Financial Projections have been properly compiled on the basis stated.

Since the Financial Projections and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Financial Projections and differences may be material.

Opinion

In our opinion, the Financial Projections have been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Company.

Declaration

We have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affects its import.

Yours faithfully

Sam Reed,
Westerly Chartered Accountants,

Westerly Accountancy Limited
24 Orchard Road, Wrafton, Devon EX33 2DZ
Company Reg. number 08750286


PRIVA
NO.PARK


COARSE
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THE CROWN
FREE HOUSE

Risk Factors

All investment and commercial activities carry risk, and investors should take appropriate advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of this investment opportunity.

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 professional adviser authorised by the Financial Conduct Authority to advise on investment in unlisted debt and other securities.

The Directors believe the following risks to be the most significant for potential Bondholders. However, they do not necessarily comprise all those associated with an investment in the Bonds and are not intended to be presented in any assumed order or priority.

1. General investment risks

a. **Capital Risk**: Investment in smaller, new and unquoted businesses is likely to involve a higher degree of risk than investment in larger, established companies and those traded on a stock exchange. Investing in Bonds 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.

b. **Repayment**: an investment in a bond of this type is speculative and involves a degree of risk. Gawcott Field CIC's ability to repay capital invested in the Bonds by 31st August 2036 or at all is dependent on the continued success of its business.

c. **Unsecured**: the Bonds are an unsecured investment and will rank behind secured or preferential creditors. In the event of Gawcott Fields CIC's financial failure, the Bonds would have the status of an unsecured creditor and may not be capable of being repaid in full or at all should the proceeds from a sale of Gawcott Field CIC's assets fail to cover all unsecured liabilities.

d. **Liquidity**: the Bonds will not be traded on a recognised exchange and are therefore non-readily realisible. Bondholders may be able to buy and sell Bonds on a matched bargain basis via ethex.org.uk, but Applicants should be aware that there is no guarantee that a willing buyer will be found.

e. **Long-term commitment**: Applicants should consider investment in the Bonds as a long-term commitment until Maturity as the original amount invested will not be available to them except through trading via Ethex or early repayment at the discretion of Gawcott Fields CIC.

f. **The Bonds are not covered by the Financial Services Compensation Scheme (FSCS)** - this means if Gawcott Fields CIC does not fulfil the terms of the Bond Instrument there is no right to compensation from FSCS.

g. **Financial projections**: Hopes, aims, targets, projections (including the Financial Projections in this Offer), plans, expectations or intentions contained in this document are no more than that and should not be construed as forecasts.

2. Risks to the Community Solar Farm

a. **Mechanical failure**: Insurance will be in place to cover damage, breakdown and loss of income in line with standard industry practice. However, there may be interruptions to the generation of electricity from the installations once built, caused by damage to or mechanical/electrical failure of equipment.

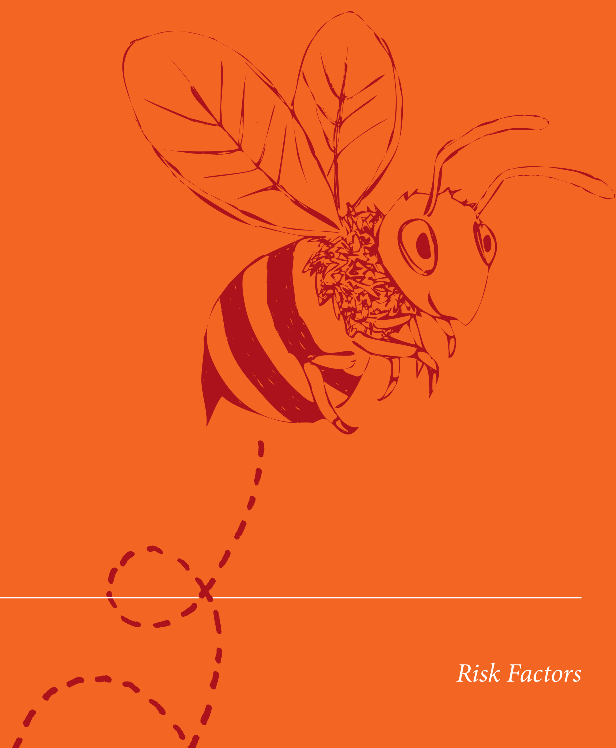
b. **Solar PV performance**: The Directors' assumptions around energy generation levels each year are based on Site capacity and yield calculations provided by our construction partners and technical advisors based on methodologies commonly used by the industry. The Community Solar Farm benefits from a minimum performance guarantee backed by a warranty bond provided by Pfalzsolar. However, long-term changes to weather patterns and/or equipment underperformance may result in lower levels of electricity generation and therefore income.

c. **Government legislation**: The Community Solar Farm has been pre-accredited with Ofgem which means that the level of FiT generation tariff it can receive is fixed for 20 years. However, changes in government legislation may affect the profitability of the Community Solar Farm and any future renewable energy projects undertaken by Gawcott Fields CIC. If the Community Solar Farm is not built in time to secure the pre-accredited FiT, the Offer will be withdrawn and Application Funds will be refunded in full without interest.

d. **Electricity prices**: The Financial Projections assume Gawcott Fields CIC will sell the electricity generated at the FiT export tariff rate, which increases annually with RPI. If wholesale electricity prices increase above the export tariff level and the Community Solar Farm switches to a market-based Power Purchase Agreement, this could provide a future upside. However, there is also a risk that the FiT export tariff could be reduced in future years, meaning that the export revenue of Gawcott Fields CIC may be reduced.

e. **Bond redemption and interest payments**: Bondholders have the contractual right to full redemption of their Bonds at the end of the 20 year term. Gawcott Fields CIC's ability to repay the Bonds at the end of the 20 year term is dependent on the continued success of the business in line with the business plan and the Financial Projections. The Directors are committed to managing the business with a view to ensuring that Gawcott Fields CIC is able to repay the Bonds and the interest due on them in full. However, there is no guarantee that there will be sufficient funds available to repay the Bonds at the end of the term or to meet the interest payments due to Bondholders each year. The Directors may also explore options for repaying Bondholders prior to the 20-year term, as explained above.

f. **Grid connection**: The grid connection used by the Community Solar Farm and the Landowner's adjoining solar farm is governed by a Connection Agreement between Harper Solar Limited – the Landowner's company - and Western Power Distribution and a separate Substation Sharing Agreement between Gawcott Fields CIC and Harper Solar Limited. The Connection Agreement is a standard form issued by distribution network operators. Harper Solar Limited owns the connection equipment between the grid and the Community Solar Farm and therefore Gawcott Fields CIC is reliant on Harper Solar Limited to ensure that the grid connection used by the Community Solar Farm continues to function. However, the Substation Sharing Agreement requires that Harper Solar Limited follows a pre-agreed management procedure or incur liability to Gawcott Fields CIC for disconnection from the grid resulting from a deviation from that procedure.



BEE SMART

The solar farm fields will be managed as a wild flower meadow to encourage wildlife, especially bees, and a field next to the two solar farms is being made available for bee keeping.

Glossary

Applicant *An applicant for Bonds through submission of an Application Form*

Application *An application for Bonds made in accordance with this Offer Document and the Terms and Conditions*

Application Form *The form available on ethex.org.uk that is the only means by which Applicants can apply for the Bonds*

Application Funds *Funds received from Applicants in response to this Offer*

Articles of Association *The Articles of Gawcott Fields Community Solar Project CIC, which can be accessed at www.gawcottsolar.co.uk*

Asset Lock *All CICs have an "asset lock" which means they must use their assets for the benefit of the community. Details of Gawcott Fields CIC's asset lock can be found at clause 3 of the Articles of Association*

Available Funds *Any funds which in the reasonable opinion of the Directors acting in good faith are available to Gawcott Fields CIC at the relevant time to pay interest on Bonds to Bondholders or to make good any shortfall arising on the payment of interest on Bonds in previous years, due to any inability on the part of Gawcott Fields CIC to pay interest at a rate of 6% in previous years after: (a) all other relevant operational expenditure and the costs of meeting any liabilities of Gawcott Fields CIC; (b) setting aside such reserves as the Directors reasonably believe are necessary to observe any banking covenants or other terms agreed under the Santander Loan or with any other banks from which Gawcott Fields CIC has borrowed; (c) setting aside such operational or other reserves which the Directors reasonably believe are necessary for the prudent management of its business; and (d) meeting the Community Reserve*

Bank Loan *The envisaged long-term project finance to be provided by the Santander Loan (or a loan on equivalent terms from an alternative provider)*

Bonds *The bonds to be issued by Gawcott Fields Community Solar Project CIC as constituted by a bond instrument dated on or about the date of this Offer Document, a copy of which is found in Appendix 4*

Bondholder *A person who has been issued Bonds by Gawcott Fields Community Solar Project CIC*

Certificate *A certificate issued by Gawcott Fields CIC which evidences a Bondholder's holding of Bonds*

Community Interest Company or **CIC** *A company registered with the Regulator of Community Interest Companies, which exists to benefit the community and which has an Asset Lock to ensure that assets are used to benefit the community*

Communities for Renewables CIC or **CfR** *A community energy advisory company which has helped to set up Gawcott Fields Community Solar Project CIC and will provide ongoing administration support. CfR's registered address is The Innovation Centre, Rennes Drive, Exeter, EX4 4RN, correspondence address is Tremough Innovation Centre, Penryn, TR10 9TA and company number 7934268*

Community Reserve *The sum of £10,000 that the Directors wish to reserve as a minimum amount for the Community Surplus in each year. The Community Reserve may have the effect of reducing interest payments to Bondholders if the Community Solar Farm does not generate sufficient revenue to meet interest payments to Bondholders in full as well as meeting the Community Reserve. The Community Reserve will not act to protect the Community Surplus if funds are needed to meet commitments other than Bondholder interest*

Community Solar Farm *The solar farm owned by Gawcott Fields Community Solar Project CIC and situated on Gawcott Fields Farm*

Community Surplus *The amount of revenue generated by the Community Solar Farm that will be applied towards projects in the*

Local Community. The Community Surplus will vary in each year, but is partially protected by the Community Reserve.

Directors *The directors of Gawcott Fields Community Solar Project CIC*

Ethex *A not for profit organisation operating an online platform for positive investments. Further information can be found at ethex.org.uk*

FCA *The Financial Conduct Authority*

Financial Projections *The financial projections for Gawcott Fields Community Solar Project CIC set out on page 28*

Financial Services Compensation Scheme or **FSCS** *The compensation fund of last resort for customers of financial services firms authorised by the FCA*

Gawcott Fields Community Solar Project CIC or **Gawcott Fields CIC** *The community interest company issuing the Bonds described in this Offer Document, and as further described in Appendix 1*

Key Assumptions *The assumptions set out on page 28 in relation to the Financial Projections*

Landowner *C B Harper & Sons Limited (the owner of the land on which the Gawcott Fields Community Solar Farm is built) and Harper Solar Limited, the special purpose company that owns and operates the adjoining solar farm and developed both the Community Solar Farm and adjoining solar farm*

Local Community *Those people and organisations based within 5km of the Site*

Material Contracts *The contracts described in Appendix 2 in this Offer Document*

Maturity *The point at which the capital invested in the Bonds becomes repayable*

Maturity Date *31st August 2036*

Maximum Sum *The maximum value of Bonds to be issued under this Offer, being £2 million*

Minimum Sum *The minimum sum of £100,000 required for the Offer to succeed and for Applicants to receive the Bonds they have applied for*

MWp *Megawatts-peak is a measure of the power output of a PV installation under ideal conditions, on less sunny days the output could be less*

Offer *The offer of Bonds issued by Gawcott Fields Community Solar Project CIC as contained in (a) this Offer Document and (b) the Terms and Conditions found at ethex.org.uk*

Offer Costs *The costs of preparing this Offer, including obtaining legal and financial advice on the requirements to formally approve this Offer Document as a financial promotion*

Offer Document *This financial promotion document describing the Offer*

Offer Period *The period during which the Offer will remain open (including any extension) as set out in the Offer timetable on page 21*

Pfalzsolar GmbH or **Pfalzsolar** *The company providing construction services and operation and maintenance services for the Community Solar Farm, with registered office at Kurfürstenstraße 29 | D - 67061 Ludwigshafen*

Power Purchase Agreement *An agreement made between Gawcott Fields CIC and an electricity supplier for the purchase of electricty generated by the Community Solar Farm*

REC Solar EMEA GmbH *The manufacturer of the solar panels used in the Community Solar Farm, a company registered in Germany with registered office at Leopoldstr. 175, 80804 Munich*

RPI *The Retail Prices Index, a measure of inflation defined monthly by the Office for National Statistics*

Santander Loan *The anticipated loan from Santander to Gawcott Fields CIC, as described in this Offer Document and Appendix 2*

Site *The location of the Community Solar Farm, being Gawcott Fields Farm, Gawcott, Buckingham*

Sungrow Deutschland GmbH *The manufacturer of the inverters used in the Community Solar Farm, a company registered in Germany with registered office at Balanstrasse 59, 81541, Munich*

Terms and Conditions *The terms and conditions of the Offer as set out on ethex.org.uk, which formally invite investment into the Offer*

Total Project Capital *The amount required to repay Pfalzsolar and the Landowner and to fund the long-term costs of the Community Solar Farm, being £4.5 million*

Appendices

1. General Information on Gawcott Fields Community Solar Project CIC

Structure

Gawcott Fields Community Solar Project CIC was formed and registered as a Community Interest Company (number 09646538) on 12th August 2015 with registered office at Tremough Innovation Centre, Penryn, TR10 9TA. The Company exists for the benefit of the Local Community and is governed by its Articles of Association.

CfR currently owns the single share issued by Gawcott Fields CIC for administrative purposes and to protect the community purpose. Once the Offer is completed, the share may be gifted to an appropriate local organisation as part of the local governance arrangements to be set up. It is not currently intended that the share will carry any financial value. In any event, any dividends are subject to the Asset Lock, and could only be paid after satisfying all interest payments due to Bondholders, as well as other costs.

Administration

Management
Gawcott Fields CIC will not have any employees. Day to day operations will be managed by CfR under the supervision of the Board. The Board bears ultimate responsibility for the management and administration of the Company, acting on reports and advice from its advisors.

Disclosure Statement
The Directors have not, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or 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 been disqualified from any function by any court.

Conflicts of Interests Statement
Directors who are connected with Communities for Renewables CIC shall not participate, be counted in the quorum or vote on any consideration of the terms of any agreement between Gawcott Fields CIC and Communities for Renewables CIC or on the quality of their performance as Directors or in relation to any actual or potential dispute between Gawcott Fields CIC and Communities for Renewables CIC.

The Directors are not aware of any other actual or potential conflicts of interest.

Remuneration statement
Directors will serve on an unpaid basis, but Directors may be reimbursed for reasonable out of pocket expenses.

The Directors are acting as Directors because they are committed to the success of Gawcott Fields CIC's business, its ability to directly benefit the Local Community and to make a difference by their own actions to the environment.

Directors do not benefit from pension schemes or share option schemes and, except for the reimbursement of properly incurred expenses, there are no benefits for Directors.

Directors serve in accordance with the Articles of Gawcott Fields Community Solar Project CIC. There are no service contracts for the Directors.

Rights of Bondholders
Bondholders do not acquire the rights of shareholders in Gawcott Fields CIC by owning Bonds.

To the extent that Applicants may make decisions affecting the Bonds, Bondholders have the collective rights set out in the Bond Instrument and meetings and votes of Bondholders will follow the procedure set out in the Bond Instrument.

In addition, Bondholders have the right to receive annual information from the Directors and attend annual meetings of Bondholders called by the Directors for the purpose of explaining the progress of the Community Solar Farm.

2. Material Contracts

A summary of the Material Contracts in relation to the Community Solar Farm is found below. The advisors to the Material Contracts have been listed in the section titled "the Team" above.

Administrative Services Agreement
Gawcott Fields CIC intends to contract Communities for Renewables CIC to provide company administration, management and secretarial services for a fee of £10,000 per annum, adjusted each year in line with RPI. The agreement is anticipated to commence following commissioning of the solar farm and will run for a period of 30 years, subject to annual review.

Lease of land
Gawcott Fields CIC has signed a lease with the Landowner giving Gawcott Fields CIC the right to construct and operate the Community Solar Farm for a period of 30 years in return for an agreed rent in line with market rates.

Substation Sharing Agreement
Gawcott Fields CIC has entered into an agreement with the Landowner which provides for the Community Solar Farm to share the Landowner's existing grid connection to import and export electricity for a period of 30 years. The Substation Sharing Agreement also provides rights for Gawcott Fields CIC to install and maintain a substation and all associated cabling, including rights of access for 30 years. The rights are granted in return for a fixed fee, with part payable on the completion of the this Offer and payment of the remainder capable of being deferred until year 20. The Directors will have discretion as to whether part or all of the deferred sum is paid in any given year. Any outstanding amounts not paid at the conclusion of this Offer and from the Santander Loan will attract interest at 6% throughout the term. Interest payments not made will be capitalised at the end of each year. After year 20, if any amounts remain outstanding, repayment will be prioritised over the Community Surplus.

Engineering, Procurement and Construction Agreement
The EPC agreement covers the design, supply, installation, testing and commissioning of the Community Solar Farm by Pfalzsolar GmbH in return for a fixed fee. Pfalzsolar has significant experience of constructing solar plants throughout Europe, with a portfolio in excess of 100MW. The EPC agreement requires that the plant achieves a minimum performance, which if missed, would oblige Pfalzsolar to pay compensation to Gawcott Fields CIC. The performance of the plant will be monitored by Pflazsolar over a period of two years following commissioning before Gawcott Fields CIC accepts ownership. Gawcott Fields CIC will remain entitled to the full revenue of the plant during this period.

The EPC agreement also contains provisions for construction of the Community Solar Farm to be funded by Pfalzsolar. Pfalzsolar has been provided with security over the share in Gawcott Fields CIC and its assets. This security will be discharged on payment of outstanding debts under the EPC agreement. Whilst the security is in place, the proceeds of any fundraise (including from this Offer), or Community Solar Farm revenues over a working capital threshold will be placed in a locked account which can be accessed by Pfalzsolar for the purpose of repaying the outstanding debt.

Operations and Maintenance Contract
Following commissioning, Pfalzsolar will also manage the operations and maintenance of the plant for a period of up to 10 years. After 5 years both parties are entitled to end the contract without cause if they wish. This contract documents the scope of preventive maintenance services including panel cleaning, maintaining a stock of spare parts, and provision of security. The contract includes a guarantee to keep the plant capable of producing electricity for 99% of the time that there is sufficient sunlight to generate electricity. If the contractor fails to achieve this target, it is required to pay damages.

FiT Administration Agreement
This agreement will provide for the FiT and export tariff payments to Gawcott Fields CIC, and is made with a "FiT licensee". The Landowner's project adjoining the Community Solar Farm has appointed E.on as its FiT licensee and discussions are underway with Ofgem around whether the Community Solar Farm can appoint a different party. If not, Gawcott Fields CIC will also appoint E.on as its FiT licensee, either through a joint arrangement with the Landowner, or independently.

Insurance
Gawcott Fields CIC will be procuring the following insurance policies:

- Public and employer's liability insurance
- Operational all risks including business interruption insurance
- Director's and officer's insurance

Santander Loan
Gawcott Fields CIC is currently in advanced discussions with Santander about providing a 15 year loan on market terms. It is anticipated that a formal offer will be made by the end of June, with due diligence to be completed and finalisation scheduled for August 2016.

The loan will involve a first-ranking charge over the share in Gawcott Fields CIC and its assets (and may therefore require Pfalzsolar to either subordinate or discharge its security). It is anticipated that the Santander Loan will provide between 55% and 70% of the long-term funds needed for the Community Solar Farm. If the Total Project Capital is not raised through the Santander Loan (or a loan through an equivalent provider) and the proceeds of this Offer, a renegotiation of the Pfalzsolar security and repayment terms would be required, as their outstanding debt would not be fully discharged. The Santander Loan (or a loan from an equivalent provider) will not be finalised until Pfalzsolar has agreed to the effect it would have on Pflzsolar's security. Finalisation of the Santander Loan (or an equivalent from another lender) is a condition precedent to this Offer going ahead.

3. Information on Tax

The precise tax treatment of a Bondholder will depend on their individual circumstances and the law and practice in force at the relevant time and may therefore be subject to change in the future. If Applicants are in any doubt about their tax position they should consider taking appropriate financial and other advice from a suitably qualified professional.

The comments below do not constitute advice and are of a general nature, based on current United Kingdom law and practice. They relate only to the United Kingdom tax treatment of interest payable on the Bonds. The comments do not deal with any other United Kingdom tax implications of acquiring, holding or disposing of bonds, and relate only to the position of Bondholders who are the absolute beneficial owners of the bonds.

Under withholding tax rules, interest payments will be paid to Bondholders net of tax at the basic rate for income tax (currently 20%). The withholding tax rules apply to interest payments made on investments such as Bonds, and have a similar effect to deductions made from share dividend payments in tax years previous to 2016/17.

Interest payments to Bondholders will be administered by Registry Trust on behalf of Gawcott Fields CIC, and Registry Trust will provide a statement to each Bondholder confirming the amount of tax deducted at the same time as making the interest payment.

Depending on their circumstances, Bondholders may need to use the information provided by Registry Trust in order to complete a self-assessment tax return, even if they do not ordinarily do so. Completing the return could lead to Bondholders reclaiming the amount of deducted tax.

For Bondholders which are corporations, interest payments will be made without any deduction for withholding tax.

If, in future years, the withholding tax rules change so that Gawcott Fields CIC is no longer required to withhold tax on interest payments, the Directors will inform Bondholders and make subsequent interest payments at full value.

If Applicants wish to sell their Bonds via Ethex they should consider how such a sale may be affected by tax considerations, and further information can be provided by Ethex.

4. The Bond Instrument

THIS INSTRUMENT is made by way of Deed Poll on 8th June 2016

BY Gawcott Fields Community Solar Project CIC ("Gawcott Fields CIC").

Recital

Gawcott Fields CIC has, by resolution of its board of directors passed on 8th June 2016, resolved to create up to a maximum nominal amount of £2,000,000 unsecured bonds, to be constituted in the manner set out below.

Agreed terms

1. **Definitions and interpretation**

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

"**Applicants**" means those who have submitted Applications for Bonds.

"**Applications**" means applications for Bonds submitted via Ethex.

"**Available Funds**" Any funds which in the reasonable opinion of the Directors acting in good faith are available to Gawcott Fields CIC at the relevant time to pay interest on Bonds to Bondholders or to make good any shortfall arising on the payment of interest on Bonds in previous years, due to any inability on the part of Gawcott Fields CIC to pay interest at a rate of 6% in previous years after:

(a) all other relevant operational expenditure and the costs of meeting any liabilities of Gawcott Fields CIC;
(b) setting aside such reserves as the Directors reasonably believe are necessary to observe any banking covenants or other terms agreed under the Santander Loan or with any other banks from which Gawcott Fields CIC has borrowed;
(c) setting aside such operational or other reserves which the Directors reasonably believe are necessary for the prudent management of its business; and
(d) meeting the Community Reserve.

"**Bank Loan**" means a loan offered to Gawcott Fields CIC to fund the long-term operation of the Community Solar Farm, either being the Santander Loan or a loan on similar terms to the Santander Loan.

"**Bondholder**" means each person for the time being entered in the Register as a holder of any Bonds.

"**Bonds**" means up to £2,000,000 unsecured bonds constituted by this instrument or, as the case may be, the amount of such bonds for the time being issued and outstanding.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

"**Certificate**" means a certificate issued by Gawcott Fields CIC under clause 5.

"**Community Reserve**" has the meaning given in the Offer Document.

"**Community Solar Farm**" has the meaning given in the Offer Document.

"**Community Surplus**" has the meaning given in the Offer Document.

"**Conditions**" means the conditions set out in Schedule 1: Part 2 as from time to time amended and Condition shall be construed accordingly.

"**Directors**" means the board of directors of Gawcott Fields CIC for the time being.

"**Ethex**" means Ethex Investment Club Ltd, a company registered in England and Wales with number 07432030 and registered office at The Old Music Hall, 106-108 Cowley Road, Oxford, Oxfordshire, OX4 1JE, which operates the website ethex.org.uk on which the Offer will be available to view and invest in.

"**Event of Default**" means any of those events specified in clause 7.

"**Feed-in-Tariff**" has the meaning given to it in the Offer Document.

"**First Closing Date**" means the date on which Gawcott Fields CIC is able to draw down the Bank Loan.

"**Group**" means Gawcott Fields CIC and any subsidiary or holding company from time to time of Gawcott Fields CIC (and the expression member of the Group shall be construed accordingly).

"**Increased Feed-in-Tariff Payments**" has the meaning given to it in Schedule 1: Part 2.

"**Increased Interest Payments**" means additional payments to Bondholders in the circumstances described in paragraph 4.2-4.3 of Schedule 1: Part 2.

"**Interest Rate**" means 6%.

"**Maturity Date**" means 31st August 2036.

"**Nomination Notice**" means a notice given by a Bondholder under paragraph 2 of Schedule 2.

"**Offer**" means the offer of Bonds issued by Gawcott Fields CIC contained in the Offer Document and made subject to the terms and conditions found at ethex.org.uk.

"**Offer Document**" means the financial promotion describing Gawcott Fields Community Solar Project CIC's offer of Bonds.

"**Register**" means the register of Bondholders kept and maintained by Gawcott Fields CIC in accordance with clause 6.

"**Repayment Notice**" means the notice of repayment sent by Gawcott Fields CIC in accordance with Condition 2 of Schedule 1: Part 2.

"**Santander Loan**" has the meaning given in the Offer Document.

"**Special Resolution**" means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting on a show of hands or, if a poll is demanded by a majority consisting of not less than 75% of the votes given on such poll.

"**Subsequent Closing Date**" means a date or dates as specified by the Directors that follow the First Closing Date but fall no later than 31 December 2016.

"**Terms and Conditions**" means the terms and conditions of the Offer found at ethex.org.uk.

1.2 Any reference in this instrument to:

1.2.1 an encumbrance shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;

1.2.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.2.3 repayment includes redemption and vice versa and the words repay, redeem, repayable, redeemed and repaid shall be construed accordingly.

1.3 References to any statute or statutory provision shall be construed as a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.4 In construing this instrument general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word "including" shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.6 The Schedules (including, for avoidance of doubt, the Conditions) form part of this instrument and shall have effect and shall be binding on the Bondholders as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2. Amount, Description and Status of Bonds

2.1 The total capital amount of the Bonds is limited to £2,000,000 and the Bonds shall be issued in integral multiples of £50 by Gawcott Fields CIC.
2.2 The Bonds when issued shall rank pari passu equally and rateably without discrimination or preference among themselves and as an unsecured obligation of Gawcott Fields CIC.

3. Repayment and Interest

When the Bonds become payable in accordance with the provisions of this instrument, Gawcott Fields CIC shall pay to the Bondholders the full capital amount owing to each Bondholder together with any accrued interest on such Bonds then outstanding (less any tax which Gawcott Fields CIC is required by law to deduct or withhold from such payment).

4. Issue of Bonds

4.1 Applicants who submit Applications to Ethex in accordance with the Terms and Conditions before 12.00 noon on the First Closing Date will be issued Bonds and will begin to accrue interest on their Bonds effective from the Business Day immediately following the First Closing Date.
4.2 Applicants who submit Applications to Ethex in accordance with the Terms and Conditions before 12.00 noon on any Subsequent Closing Date will be issued Bonds and begin to accrue interest on their Bonds from the Business Day immediately following the relevant Subsequent Closing Date.

5. Certificates

5.1 Each Certificate for Bonds shall be issued to a Bondholder substantially in the form set out in Schedule 1: Part 1 and shall be executed by Gawcott Fields CIC and have the Conditions endorsed on or attached to it. Each Bondholder shall be entitled to receive without charge one certificate for the Bonds registered in his name.
5.2 When a Bondholder transfers or redeems part only of his Bonds, the old certificate shall be cancelled and a new certificate for the balance of such Bonds shall be issued without charge.

6. Register

6.1 Gawcott Fields CIC shall, at all times, keep a Register at its registered office (or at such other place as Gawcott Fields CIC may from time to time have appointed for the purpose).
6.2 The Register shall contain the following details:
6.2.1 the names and addresses of the Bondholders and the date on which the name of the Bondholder is entered on the register;
6.2.2 the capital amount of the Bonds held by each Bondholder; and
6.2.3 the date of issue of each Bond, together with all subsequent transfers and changes of ownership of each Bond.
6.3 Any change of name or address by any Bondholder that is notified to Gawcott Fields CIC at its registered office address above shall be entered in the Register.
6.4 Any Bondholder may, by written notice to Gawcott Fields CIC, request to be informed of the information regarding that Bondholder held in the Register and require Gawcott Fields CIC promptly to rectify an error in the Register in relation to that Bondholder.

7. Default

The following are Events of Default:
7.1.1 **Non-payment**: Gawcott Fields CIC fails to repay any capital outstanding on the Bonds within 10 Business Days after the due date for payment thereof;
7.1.2 **Breach of undertaking**: Gawcott Fields CIC fails duly to perform or comply with any obligation (other than an obligation to repay capital outstanding on the Bonds) expressed to be assumed by it in this instrument and such failure continues for 10 days after written notice has been given by any Bondholder requiring remedy thereof;
7.1.3 **Insolvency**: Gawcott Fields CIC or any member of the Group is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, any of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;
7.1.4 **Enforcement proceedings**: A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of Gawcott Fields CIC or any member of the Group and is not discharged or stayed within 10 days;
7.1.5 **Winding-up**: Gawcott Fields CIC or any member of the Group takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;
7.1.6 **Analogous proceedings**: Anything analogous to or having a substantially similar effect to any of the events specified in clause 7.1.3 to clause 7.1.5 inclusive shall occur under the laws of any applicable jurisdiction;
7.1.7 **Encumbrance enforceable**: Any encumbrance on or over the assets of Gawcott Fields CIC or any member of the Group becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;
7.1.8 **Cessation of business**: Gawcott Fields CIC or any member of the Group ceases to carry on the business it carries on at the date of this instrument or a substantial part

thereof; and

7.1.9 **Illegality**: It is or becomes or will become unlawful for Gawcott Fields CIC to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

8. Acceleration

If, at any time and for any reason, any Event of Default has occurred, the Bondholders may by Special Resolution or by written notice to Gawcott Fields CIC from more than 50% of the total number of Bondholders, at any time while such Event of Default remains unremedied and has not been waived by a Special Resolution, direct that the capital amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds shall become due and payable immediately and such amounts shall be immediately payable by Gawcott Fields CIC to the Bondholders (in each case less any applicable taxes).

9. No set-off

Payments of capital and interest under this instrument shall be paid by Gawcott Fields CIC to the Bondholders, and the Bonds shall be transferable in accordance with the provisions of Schedule 2, without any deduction or withholding (whether in respect of any set-off, counterclaim or otherwise whatsoever) unless the deduction or withholding is required by law.

10. Meetings of Bondholders

The provisions for meetings of the Bondholders are set out in Schedule 3.

11. Enforcement

11.1 From and after the date of this instrument and so long as any amount is payable by Gawcott Fields CIC in respect of the Bonds, Gawcott Fields CIC undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

11.2 The Bonds shall be held subject to and with the benefit of the provisions of this instrument, the Conditions and the schedules. All such provisions shall be binding on Gawcott Fields CIC and the Bondholders and all persons claiming through or under them respectively, and shall enure for the benefit of all Bondholders, their personal representatives, successors and permitted assigns.

11.3 Except as expressly provided in this clause 11.3, a person who is not a party to this instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this instrument. This instrument and the Bonds are enforceable under the Contracts (Rights of Third Parties) Act 1999 by each Bondholder.

12. Modification

The provisions of this instrument may from time to time be modified, abrogated or compromised in any respect by Special Resolution and with the consent of Gawcott Fields CIC.

13. Governing law and jurisdiction

13.1 This instrument and the Bonds and any dispute or claim arising out of or in connection with any of 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 Wales.

13.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or any Bond or their subject matter or formation (including non-contractual disputes or claims).

Schedule 1: Part 1 - Bond Certificate

Certificate No. ***[NUMBER]***
Date of Issue ***[DATE]***
Amount £ ***[AMOUNT]***

Gawcott Fields CIC
£2,000,000 UNSECURED BONDS

Created and issued pursuant to a resolution of the board of directors of Gawcott Fields CIC passed on 8th June 2016.

THIS IS TO CERTIFY THAT *[INSERT NAME OF BONDHOLDER]* is the registered holder of £*[AMOUNT]* of the £2,000,000 unsecured bonds constituted by an instrument entered into by Gawcott Fields CIC on 8th June 2016 (Instrument). Such bonds are issued with the benefit of and subject to the provisions contained in the Instrument and the Conditions endorsed hereon.

1. The Bonds are repayable in accordance with Conditions 1 and 2.
2. This Certificate must be surrendered before any transfer, whether of the whole or any part of the Bond comprised in it, can be registered or any new certificate issued in exchange.
3. Any change of address of the Bondholder(s) must be notified in writing and signed by the Bondholder(s) to Gawcott Fields CIC at its registered office from time to time.
4. The Bonds are transferable in amounts and in integral multiples of £50 in accordance with the terms of the Conditions and the Instrument.
5. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions endorsed hereon.
6. The Bonds and any dispute or claim arising out of or in connection with any of 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 Wales.
7. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Bonds or their subject matter or formation (including non-contractual disputes or claims).
8. A copy of the Instrument is available for inspection at the registered office of Gawcott Fields CIC.

Executed by Gawcott Fields CIC, acting by two directors:

....
[insert name of signatory]
Director

....
[insert name of signatory]
Director

Dated: 2016

Schedule 1: Part 2 - The Conditions

1. **Repayment**

Subject to Condition 2 and 5, all Bonds not previously repaid (in whole or in part) before the Maturity Date will be repaid by Gawcott Fields CIC within 60 days of the Maturity Date, at par, together with interest accrued up to and including the Maturity Date.

2. **Early repayment**

2.1 There are two circumstances in which Gawcott Fields CIC may repay capital to Bondholders in advance of the Maturity Date:
(a) Early repayment to advance the community purpose in accordance with Conditions 2.2 – 2.4; and
(b) Early repayment in exceptional circumstances in accordance with Condition 2.5.

Early repayment to advance the community purpose

2.2 Bondholders may be repaid some or all of their capital early if the Directors determine that a set of circumstances arises such that it will advance the community purpose of Gawcott Fields CIC to do so.
2.3 Following such determination, Gawcott Fields CIC shall, by delivery of a Repayment Notice, invite all Bondholders to apply for early repayment of the capital outstanding on their Bonds. The Repayment Notice shall specify the total amount of capital available for repayment and the means and date by which such repayment is intended to be made. The Repayment Notice shall be delivered to all Bondholders not less than 2 months in advance of the date intended by the Directors for repayment. Applications shall be considered in the order of priority in which they are received and in the event that applications are received in excess of the total amount of capital available for repayment applications may have to be scaled down to satisfy that priority.
2.4 In the event that applications for repayment pursuant to a Repayment Notice do not amount to sufficient capital in order to satisfy the best interests of the community purpose in the relevant circumstances, Gawcott Fields CIC shall satisfy in full all applications for repayment submitted pursuant to a Repayment Notice, and in addition, make pro-rata capital repayments to all other Bondholders to the extent necessary to advance the community purpose in the circumstances.

Early repayment in exceptional circumstances

2.5 Where the Directors are of the opinion that exceptional circumstances apply to the extent that Gawcott Fields CIC is required to repay the Bonds in order to avoid a material adverse effect on the Group, Gawcott Fields CIC may, by giving the Bondholders not less than 28 days' written notice, repay the capital amount of all or a portion of the Bonds on the date specified in such notice.

2.6 In the event of repayment under Condition 2.2 –

2.5, Gawcott Fields CIC shall also pay to the Bondholders all outstanding interest accrued on the Bonds to be repaid up to and including the date on which the Bonds became repayable (in each case less any taxes required by law to be deducted or withheld from such payments).

2.7 Any payment made under this Condition 2 shall be treated as reducing the amount of interest due under Condition 4 proportionately.

3. **Cancellation**

All Bonds repaid by Gawcott Fields CIC shall be cancelled and Gawcott Fields CIC shall not reissue the same.

4. **Interest**

4.1 Subject to Condition 4.2, until the Bonds are repaid in accordance with these Conditions, interest on the capital amount of the Bonds outstanding from time to time shall accrue at the Interest Rate, calculated annually on 1 September in each year.

Increased Interest Payments

4.2 Increased Interest Payments shall be payable to Bondholders at such intervals as the Directors may determine when the following circumstances apply:
(a) Feed-in-Tariff payments received by Gawcott Fields CIC are increased due to the rate of inflation applying to the Feed-in-Tariff being 3% or higher ("Increased Feed-in-Tariff Payments"); and
(b) Given all other circumstances applying at the relevant time, the Directors are of the opinion that it would not have a materially adverse effect on Gawcott Fields CIC to apply the Increased Interest Payments to Bondholders.
4.3 The amount of the Increased Interest Payments shall be determined by the Directors calculating the amount received by Gawcott Fields CIC as a result of the Increased Feed-in-Tariff Payments, half of which shall be distributed to Bondholders as Increased Interest Payments in proportion to the capital held by each Bondholder, and half of which will be allocated as Community Surplus.
4.4 For the avoidance of doubt, if the rate of inflation applying to the Feed-in-Tariff is below 3% at any time, Increased Interest Payments shall not be available.

Calculation of Interest

4.5 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year.
4.6 Interest accrued shall be paid in arrears within 60 days of 1 September in each year to a bank account nominated by the Bondholder in writing to Gawcott Fields CIC (in each case less any taxes required by law to be deducted or withheld from such payments).
4.7 Interest on any Bonds repaid by Gawcott Fields CIC in accordance with these Conditions shall cease to accrue as from the date on which the Bonds become repayable.

5. **Late payment and cancellation of interest**

5.1 The Directors shall use their reasonable endeavours to manage the business of Gawcott Fields CIC with a view to generating and maintaining sufficient Available Funds to pay interest to Bondholders at a rate of 6% in each year.
5.2 If Gawcott Fields CIC does not have the Available Funds to pay interest at a rate of 6% in any year, the relevant shortfall shall be rolled over and shall become payable in the next year when there are sufficient Available Funds to make good the shortfall. Available Funds shall be applied first towards meeting shortfalls, starting with the longest outstanding shortfall, and shall only be applied towards interest in any current year once all outstanding shortfalls have been made good.
5.3 If sufficient Available Funds are not available to meet any shortfall by the Maturity Date, such shortfall shall be cancelled and shall not be due to Bondholders.
5.4 For the avoidance of doubt, where Gawcott Fields CIC does not have Available Funds to pay interest at a rate of 6% or to meet a shortfall arising in a previous year(s), this shall not amount to an Event of Default.

6. **Dealings**

The Bonds shall not be capable of being dealt in or on any listed stock exchange in the United Kingdom or elsewhere and no application has been or shall be made to any listed stock exchange for permission to deal in or for an official or other quotation for the Bonds. The Bonds shall be capable of being bought and sold via the platform offered by Ethex.

7. **Notices**

7.1 Any notice or other document (including Certificates) may be given or sent to any Bondholder by sending the same by post in a prepaid, first-class letter addressed to such Bondholder at his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by him to Gawcott Fields CIC for the giving of notice to him or to an electronic address notified by the Bondholder to Gawcott Fields CIC for the purpose of receiving notices or other documents (including Certificates). Notice may be given to the persons entitled to any Bonds as a result of the death or bankruptcy of any Bondholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Bondholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.
7.2 Any notice or other document (including Certificates and transfers of Bonds) may be given or sent to Gawcott Fields CIC by sending the same by post in a prepaid, first-class letter addressed to Gawcott Fields CIC at its registered office for the time being.
7.3 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom. Any

notice, communication or document sent to an electronic address shall be deemed to have been delivered on the day on which it was sent.

Schedule 2: Provisions as to registration, transfer and other matters

1. **Recognition of Bondholder as absolute owner**

Subject to paragraph 2 of this Schedule 2, Gawcott Fields CIC shall recognise as absolute owner the registered holder of any Bonds. Gawcott Fields CIC shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Bond may be subject. The receipt of the registered holder for the time being of any Bonds or, for the capital payable in respect of such Bonds and for the interest from time to time accruing due in respect of such Bonds or for any other moneys payable in respect of such Bonds shall be a good discharge to Gawcott Fields CIC notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Bonds, interest or moneys. Gawcott Fields CIC shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Bonds.

2. **Bonds purchased for a person below 18 years of age**

2.1 Where a Bondholder has notified Gawcott Fields CIC in writing that they wish for their Bonds to be transferred to another person on that person reaching 18 years of age (a "Nomination Notice"), the Directors will request from the Bondholder that they provide, at least three months in advance of that person's 18th birthday, the information required to include that person in the Register in substitution for the Bondholder, and that the Bondholder returns their Certificate. If the Directors are satisfied that they hold such information by such time, the Directors shall procure that the Bondholder's Bonds are automatically transferred to that person and that person's details are entered into the Register in substitution for the Bondholder with effect from that person's 18th birthday. On receipt of the Bondholder's Certificate, the Directors shall provide a new Certificate to that person.
2.2 A Nomination Notice given by the Bondholder as described in paragraph 2.1 above may be revoked by notice in writing from the Bondholder provided that such notice is received by Gawcott Fields CIC before the 18th birthday of the relevant person.
2.3 Until that person is entered into the Register in substitution for the Bondholder, the Bondholder shall continue to be recognised as absolute owner their Bonds.

3. **Transferability of Bonds**

3.1 The Bonds are transferable by instrument in writing in amounts and multiples of £50. There shall not be included in any instrument of transfer any Bonds other than the Bonds constituted by this instrument.
3.2 Every instrument of transfer shall be duly signed by or on behalf of the transferor and the transferor shall be deemed to remain the owner of the Bonds to be transferred until the transferee's name is entered in the Register in respect of such Bonds.
3.3 Every instrument of transfer shall be left for registration at the Gawcott Fields CIC's registered office accompanied by the Certificate(s) for the Bonds to be transferred, together with such other evidence as the Directors or other officers of Gawcott Fields CIC authorised to deal with the transfers may require to prove the title of the transferor or his right to transfer the Bonds and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so. All instruments of transfer which are registered shall be retained by Gawcott Fields CIC.
3.4 No fee shall be charged by Gawcott Fields CIC for the registration of any transfer or for the registration of any confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Bonds or for making any entry in the Register relating to or affecting the title to any Bonds.

4. **Recognition of personal representatives**

4.1 The executors or administrators of a deceased Bondholder shall be the only person(s) recognised by Gawcott Fields CIC as having any title to such Bonds.
4.2 Any person who becomes entitled to any of the Bonds as a result of the death or bankruptcy of any Bondholder, or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, be registered himself as the holder of such Bonds or, subject to the preceding Conditions as to transfer, may transfer such Bonds. Gawcott Fields CIC may retain any payments paid upon any such Bonds which any person under this provision is entitled to, until such person is registered as the holder of such Bonds or has duly transferred the Bonds.

5. **Means of payment of interest and capital**

5.1 The payments of capital, interest or other sums payable by Gawcott Fields CIC in respect of the Bonds may be paid by:
(a) electronic transfer in immediately available cleared funds on the due date for payment, to the account specified for the purpose by the Bondholder in writing to Gawcott Fields CIC or its agent; or
(b) in the absence of such notification, by cheque, warrant or bankers' draft made payable to and sent to the registered address of the Bondholder or made payable to such person and sent to such address as the registered holder may in writing direct.
5.2 Every such cheque, warrant or bankers' draft shall be sent on or before the due date for payment and may be sent through the post at the risk of the registered Bondholder. Payment of the cheque, warrant or bankers' draft shall be a good discharge to Gawcott Fields CIC.

5.3 All payments of capital, interest or other moneys to be made by Gawcott Fields CIC shall be made after any deductions or withholdings for or on account of any present or future taxes required to be deducted or withheld from such payments.

6. **Replacement of certificates**

If the Certificate for any Bonds is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Directors may require. In the case of defacement the defaced Certificate shall be surrendered before the new Certificate is issued. Gawcott Fields CIC reserves the right to charge a fee to the Bondholder for issuing a replacement Certificate.

Schedule 3: Provisions for meetings of Bondholders

1. **Calling of meetings**

Gawcott Fields CIC may at any time and shall on the request in writing signed by 10% or more of the total number of Bondholders convene a meeting of the Bondholders to be held at such place as Gawcott Fields CIC shall determine.

2. **Notice of meetings**

At least 28 clear days' notice specifying the place, day and hour of the meeting shall be given to the Bondholders of any meeting of Bondholders. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Bondholder shall not invalidate any resolution passed at any such meeting.

3. **Chairman of meetings**

A person nominated by Gawcott Fields CIC shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chairman. The Directors and legal advisers of Gawcott Fields CIC and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. **Quorum**

4.1 At any such meeting convened for any purpose persons being or representing by proxy at least 10% of the total number of Bondholders shall form a quorum for the transaction of business. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.
4.2 If within 30 minutes from the time appointed for any meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chairman and at such adjourned meeting two Bondholders present in person or by proxy and entitled to vote shall form a quorum.

5. **Adjournment of meetings**

5.1 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been transacted at the meeting from which the adjournment took place.
5.2 Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that two Bondholders present in person or by proxy and entitled to vote at the adjourned meeting shall form a quorum.

6. **Voting**

6.1 Every question submitted to a meeting of Bondholders shall be decided in the first instance by a show of hands. In case of an equality of votes whether on a show of hands or a poll, the Chairman shall not have a second or casting vote and the resolution shall be deemed to have been lost.
6.2 At any meeting of Bondholders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by one or more Bondholders present in person or by proxy, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.
6.3 If at any such meeting a poll is so demanded it shall be taken in such manner as the Chairman may direct, provided that no Bondholder shall have more than one vote. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
6.4 Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
6.5 Every Bondholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (not being himself a Bondholder) or by proxy shall have one vote, regardless of the number of Bonds held by such Bondholder present in person or represented.

7. **Proxies**

7.1 Every instrument appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Bondholder.

7.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority shall be deposited with Gawcott Fields CIC at its registered office or at such other place as may be specified in the notice convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Bonds in respect of which it is given unless previous intimation in writing of such death, insanity, revocation or transfer shall have been received by Gawcott Fields CIC at its registered office. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

8. Power of meetings of Bondholders

In addition to the powers to pass the Special Resolutions referred to at Clause 7 (Events of Default), Clause 8 (Acceleration) and Clause 12 (Modification) of this instrument, a meeting of the Bondholders may, by Special Resolution, consent to any proposal put to Bondholders by Gawcott Fields CIC where such proposal may affect Bondholders' rights to repayment of capital, payment of interest or to demand accelerated repayment under Clause 8.

9. Resolutions

9.1 A Special Resolution, passed at a meeting of Bondholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Bondholders whether or not present at such meeting and each of the Bondholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

9.2 Subject to clause 7 of this instrument, a resolution in writing signed by at least 75% of the total number of Bondholders shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Bondholders.

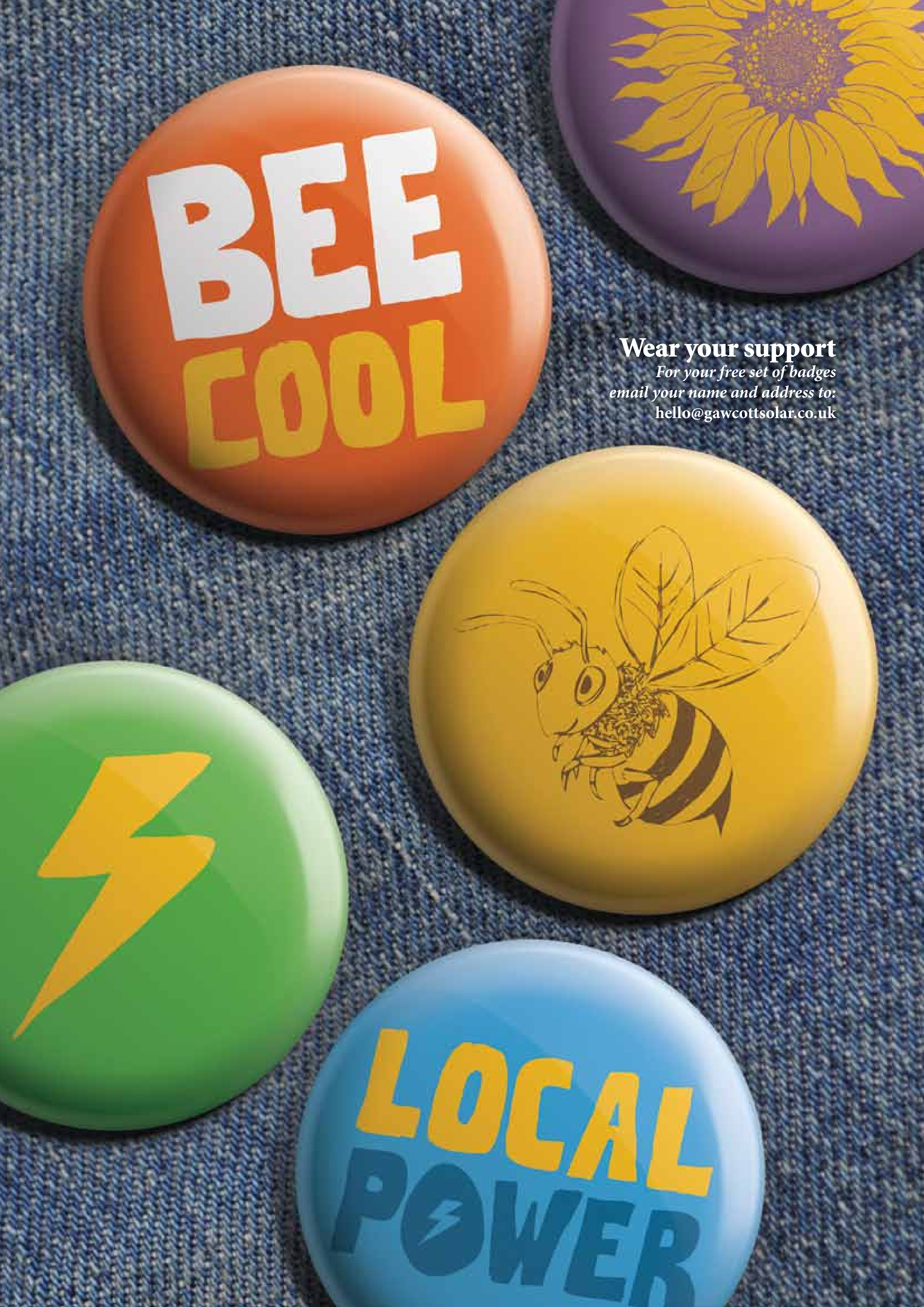
10. Minutes of meetings

Minutes of all resolutions and proceedings at every such meeting of the Bondholders shall be made and duly entered in books to be from time to time provided for that purpose by Gawcott Fields CIC and shall be available for inspection by Bondholders during normal business hours on reasonable notice to Gawcott Fields CIC.

Executed by Gawcott Fields Community Solar Project CIC, acting by two directors:

William Burnyeat
Director

Tom Cosgrove
Director



Wear your support

For your free set of badges
email your name and address to:
hello@gawcottsolar.co.uk

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