

Drumlin Wind Energy Co-operative Limited

invest
in the future...



shareoffer

CLEAN, GREEN ENERGY - PLANNING FOR THE FUTURE

c o n t e n t s

Chairman's Letter	Page 3
Summary	Page 4
Risk Factors	Page 9
Persons Responsible and Directors' Declaration	Page 10
Background: Energy4All, Energy Prospects and NRG Solutions	Page 11
Information on Drumlin Wind and the Sites	Page 11
Accountant's Letter	Page 16
Administration and Management	Page 17
Information on the Offer	Page 22
Glossary	Page 27
Appendices	
Rules	Page 29
Notes on Applying for Shares	Page 36
Application Form	Page 37



chairman's letter

Date 20 June 2012

Dear Potential Co-op Member

This Share Offer Document sets out an exciting and unique opportunity for the Northern Irish community to invest in a new co-operative which will install Wind Turbines in up to five locations in Northern Ireland, enabling you to:

- Invest with a projected pre-tax relief average annual return rate of approximately 7.2% over a 20 year investment period (see projected returns table on Page 14)¹;
- Receive income tax relief equal to 30% of your initial investment under the Enterprise Investment Scheme. This raises the effective projected average annual return rate to approximately 10.3% over a 20 year investment period²;
- Support your local community financially;
- Generate renewable energy, helping tackle energy security and climate change;
- Support sustainable development in our community and contribute to meeting Northern Ireland CO2 targets

This Offer is an approved offer under the Financial Services and Markets Act 2000. Energy4All, which is assisting Drumlin Wind with this offer, is the leading social enterprise in the UK for establishing community owned renewable energy schemes. Energy4All recently won the prestigious 2012 Ashden Award for its work. Drumlin Wind has been established and plans to run along similar lines to other successful Energy4All sponsored co-operatives.

The Co-operative has the contractual right under an agreement with NRG Solutions to install up to five Wind Turbines on five separate Sites. Each Site has planning consent and a right to connect to the grid. The Project will proceed if this Offer raises a minimum of £1.5 million, which is sufficient to install two Wind Turbines. The more money we raise the more Wind Turbines we can construct – you can make a difference.

The Co-operative also has broader goals: to tackle climate change by generating renewable electricity, to engage our community and to support our community financially.

We think the co-operative structure will appeal to those of you who may not have considered this type of investment before; it also works as a long term investment which can span the generations. Parents and grandparents can invest in the Co-operative now for their children and grandchildren or can invest on their own behalf and give their investment to their children and grandchildren at a later date or under their will.

The Offer will close when fully subscribed or on 21 September 2012 (although the directors may extend the date).

How to invest

An Application Form with details of how to invest is attached at the end of this Offer Document. The minimum investment is £250. The maximum investment is £20,000. We received confirmation from HM Revenue and Customs that the Shares issued by Drumlin Wind qualify for relief under the Enterprise Investment Scheme, which would mean that, once the Wind Turbines are turning, Members who are eligible under the scheme should receive 30% of the value of their investment back in the form of income tax relief.

Please read this Share Offer Document and consider the risks, including those set out on page 9, before investing. You should consider taking appropriate financial and other advice before making an investment decision.

I look forward to welcoming you as a new Member of Drumlin Wind Energy Co-operative Limited.

Yours faithfully

Nigel Brady, Chair Drumlin Wind Energy Co-operative Limited

¹ Projected returns are extracted without material adjustment from the financial projections set out on page 14.

² Drumlin Wind received EIS advance assurance.

S u m m a r y

Note to Investors:

- This summary should be read as an introduction to the Offer Document
- Any decision to invest in the Shares should be based on consideration of the whole Offer Document
- Tax treatment depends on the individual circumstances of each client and may be subject to change in future

1. The Content of this Offer Document

This Offer Document has been prepared on behalf of Drumlin Wind by its Directors, who are responsible for the contents. It is published in accordance with the Financial Services and Markets Act 2000 and the Financial Promotion Order 2005. It has been approved by Bates Wells & Braithwaite London LLP, a firm of solicitors authorised and regulated by the Financial Services Authority (registered FSA number 466148).

Technical and other words/phrases used in this Offer Document with a particular meaning are defined and explained in the Glossary.

The Offer Document includes an Application Form which, once this Offer Document has been fully considered, may be returned as an Application for Shares.

No advice on investments is given in this Offer Document, or by Drumlin Wind or its Directors in relation to it. If any person has any doubt about the suitability of the investment which is the subject of this Offer Document he/she should contact an appropriate authorised person for advice on investments.

2. Purpose of this Summary

This Summary is intended to provide an overview of the Offer. It conveys the essential characteristics of Drumlin Wind and the Shares and the principal associated risks.

3. The purpose of Drumlin Wind and this Offer

Drumlin Wind is making this Offer to raise capital to construct and operate up to five Wind Turbines that will generate electricity and are located in Co. Antrim and Co. Tyrone. Drumlin Wind will receive income principally from:

- Selling the electricity generated, and
- Renewable Obligation Certificates, which, in effect is an additional price legally required to be paid by the electricity industry for 20 years for the electricity generated from renewable resources.

4. The Project

Drumlin Wind has the right under contract to enter into a sublease with NRG Solutions, the developer, on each of five Sites which have planning and grid connection consents for one 250kW Wind Turbine as follows:

- Aghafad Road, nr Pomeroy, Co Tyrone
- Ballyboley Road, nr Larne, Co Antrim
- Ballyrobert Road, nr Ballyrobert, Co Antrim
- Cavanoneill Road, nr Pomeroy, Co Tyrone
- Parkgate Road, nr Kells, Co Antrim

The Project will involve the purchase, construction and operation of one 250 kW Wind Turbine with an expected life of approximately 25 years at each Site. Construction will be overseen by NRG Solutions, a specialist renewables project management consultancy, and Blunden Consultancy, an expert in Wind Turbine construction. At three of the Sites, the planning permission provides for WTN turbines. This is the Wind Turbine preferred by Energy4All and Energy Prospects. The other two Sites have planning permission for another brand of Wind Turbine of the same size. Applications for revised planning consents to permit the use of WTN turbines were made in late April 2012.

In the event that revised planning consent is not forthcoming in respect of the two Sites in question, Drumlin Wind may choose to proceed with fewer than five Sites, even if the Maximum Capital Sum is raised from this Offer. Any surplus funds raised by this Offer will be returned to Members. The rate of return to Members is not projected to decrease in the event that Drumlin Wind chooses to proceed with fewer than five Sites.

Energy4All will perform all management and administrative functions on behalf of Drumlin Wind and will provide regular management reports to the Board. The Board will be responsible to the Members.

NRG Solutions will provide all ongoing Wind Turbine monitoring services on behalf of Drumlin Wind.

The following preliminaries have been completed or are well advanced in respect of the Sites:

- Planning consent for 25 years has been obtained
- Exclusive rights for the development of the Sites have been obtained
- A services agreement has been signed with Energy4All
- A co-operation agreement has been signed with NRG Solutions and other relevant parties
- Estimates have been obtained for the supply of the Wind Turbines and ancillary equipment
- Grid connection has been agreed
- A term sheet from Power NI in respect of a power purchase agreement has been received
- An indication of eligibility for loan finance for the Project from potential lenders has been received

Further soil investigations need to be completed at a greater depth in respect of all five Sites to confirm that the soil is suitable for the laying of foundations for the Wind Turbines. However, following initial soil investigations and observations on the part of Blunden Consultancy, the Board has no reason to believe that the soil at the Sites will not be suitable for the laying of foundations for the Wind Turbines.

5. Environmental considerations

Investing in Drumlin Wind should not only provide a reasonable return, but also an ethical and environmental investment. Drumlin Wind enables investors to make a real contribution to the development of renewable energy in their community and to the UK's response to climate change and energy security, while supporting the local community financially. Investors enable our community through self help to act to make a difference.

Drumlin Wind will seek initially to pay £2,000 (inflation linked) per Wind Turbine each year into a fund to support the local community and in particular to undertake primarily educational activities.

Without the investment of local people, Drumlin Wind will be unable to install the Wind Turbines at these Sites. This Offer is an opportunity to make a difference - the more people invest, the more Wind Turbines can be built.

Based on the average UK household consuming 4,700 kwh per year, it is estimated that the five Wind Turbines at the five Sites will generate sufficient electricity for the equivalent of 400 homes.¹

6. Investor returns

Investors should regard Shares as a long term investment. They may subscribe for a minimum of 250 and a maximum of 20,000 Shares at their £1 par value.

The Financial Projections and the prospect of a reasonable return for Members is based on estimates and quotations obtained and assumptions derived from the experience of Energy4All in the sector.

There are many variables and unknowns which make up the Drumlin Wind financial model and the Financial Projections based upon it are by nature uncertain. The Financial Projections are illustrative only and must not be taken to be an indication of any assurance about the ultimate return of invested capital or any level of return.

This Offer is based on the considered belief of the Directors, based on the experience of Energy4All, that this new and novel model for community renewable energy is realistic and attainable. The principal appeal is to investors who are interested in projected reasonable returns from supporting progressive environmental purposes.

Projected returns to Members

Members of Drumlin Wind are projected to receive a return on investment initially anticipated (on relatively conservative assumptions) to be approximately:

- 3.5% per annum for the first full accounting year to 31st March 2014 (5% with EIS tax relief);
- increasing in stages to more than 6% in the sixth full accounting year (8.5% after EIS tax relief); and
- increasing over the life of the Project, unless any major repairs are needed to Wind Turbines over and above the amounts provided in the Financial Projections.

Where returns to Members exceed 6%, additional rent will be paid by Drumlin Wind to NRG Solutions, which holds the head leases on the Sites and is sub-leasing the Sites to Drumlin Wind. Where the returns to members are between 6% and 9% per annum, an amount equivalent to half of the excess over 6% will be paid as additional rent to NRG Solutions. Where the returns to Members exceed 9%, an amount equivalent to 75% of the excess over 9% will be paid as additional rent to NRG Solutions.

The Financial Projections are based on the assumptions set out on page 15, including the assumption that there will be five Wind Turbines in operation. In the event that Drumlin Wind only raises sufficient funds to purchase and install less than five Wind Turbines, the rate of returns to Members are not projected to decrease, as Drumlin Wind will be in a position to choose those Sites which are most likely to produce the greatest level of electricity.

¹ www.bwea.com/edu/calcs

Withdrawal and redemption of Shares

In principle, an investment in Drumlin Wind is for approximately a 20 year period, starting with the commissioning of the Wind Turbines. Members do not have the right to withdraw share capital but the Board has the power to permit Shares to be withdrawn and to redeem Shares. In order to remain a qualifying investment for EIS tax relief, the powers of the Board to permit Shares to be withdrawn and to redeem Shares are only exercisable after three years have passed from the commissioning of the first Wind Turbine.

Three years after commissioning of all the Wind Turbines, Drumlin Wind's present intent, if it has sufficient funds from income generated for working capital purposes, is to redeem approximately 15% of its issued share capital in the year 2016, and to redeem between 4% and 10% of its issued share capital in each subsequent financial year. Shares will be redeemed in proportion to Members' shareholdings and at the par value of £1.

The effect of redeeming share capital in this way is to increase the return for long term shareholders on the remaining capital invested in Drumlin Wind. The intention is to redeem effectively all share capital within 21 years of the commissioning of the Wind Turbines.

Members living in Northern Ireland will be given priority if the Offer is oversubscribed, so that the wealth generated by the Wind Turbines is retained in Northern Ireland. Wherever practicable, the purchases made by Drumlin Wind will be made in Northern Ireland, with the exception of the Wind Turbines, which are made in Germany.

7. Tax relief on investment in Drumlin Wind under the Enterprise Investment Scheme ('EIS')

Drumlin Wind has received confirmation from HM Revenue and Customs that the Shares issued by Drumlin Wind will qualify for EIS tax relief. EIS tax relief offers various benefits to qualifying investors: qualifying income tax payers who invest in Shares in Drumlin Wind and hold their Shares for at least three years should receive income tax relief equivalent to 30% of the amount they invest. There is scope to carry back the income tax relief to the previous tax year to offset tax paid in the year the investment is made.

8. The Capital required for the Project

This Offer Document seeks to raise sufficient cash by the issue of Shares at £1, payable in full on application, to finance Wind Turbines on between two to five Sites, depending on the level of capital raised by the Offer.

If Drumlin Wind raises the Minimum Capital Sum of £1.5 million it will install two Wind Turbines. Capital of £2.1 million is sufficient to install three Wind Turbines. Adding the fourth Wind Turbine requires total capital of £2.8 million. Additional capital of approximately £600,000 is required to add the fifth Wind Turbine. However additional work needs to be done on the last two Sites to determine final costs and outputs. It is anticipated that this work will be completed while the Share Offer is open. Information on progress on these Sites will be made public as soon as it is available.

These estimates of the sums needed to finance Wind Turbine purchases require a small amount of loan finance, of up to 10% of the share capital of Drumlin Wind for a period of less than two years. The Board have received in-principle confirmation that this loan finance will be provided either by the Co-op Bank on an overdraft basis or as a short term loan from the Ulster Community Investment Trust. Ulster Community Investment Trust considers the Project to be eligible for a loan according to its policy terms, subject to carrying out due diligence on the proposal, which will be done once it is clear which Sites are to be adopted.

If less than the Maximum Capital Sum is raised through this Offer, the Board will decide in its discretion which Sites Drumlin Wind will use to construct and install Wind Turbines and any excess over the amount of capital required for those Sites which are chosen will be returned to Members in proportion to Members' shareholdings.

9. Offer timetable and priority

The initial Offer Period is for 12 weeks from the Offer Date, but will be closed early in the event that Applications amounting to the Maximum Capital Sum (£3.4 million) are received. Applications will be dealt with on a first come, first served basis. At the discretion of the Board the Offer may be extended for a further period. If Applications are received for an amount that exceeds the Maximum Capital Sum the Board reserves the right to scale down and/or refuse some Applications. If it is necessary to scale down Applications, priority will be given as follows:

- First priority – residents of Northern Ireland
- Second priority – directors, employees and associates of Drumlin Wind, Energy4All and members of Energy Prospects

The decision of the Board is final on all matters relating to these priority areas and categories.

If the Minimum Capital Sum is received, the Offer will proceed and Shares will be issued to Applicants. The Minimum Capital Sum has been set by the Board at a level where they consider the Drumlin Wind business is viable and the Shares can still offer reasonable returns to Members.



10. Involvement of Energy4All and Energy Prospects

Energy4All was established for the purpose of facilitating the ownership and (where appropriate) construction and operation of renewable energy projects by local or community-based co-operatives. Energy4All, a non profit-distributing social enterprise, seeks to promote and enable community ownership of renewable energy schemes. This approach seeks to enable ordinary people to own and operate a local energy supply, on an ethical and democratic basis. Energy Prospects is a co-operative set up by Energy4All in 2010 to support the development of renewable energy co-operatives. Energy Prospects has provided development services and expertise to support Drumlin Wind if the Minimum Capital Sum is raised and will receive a flat £15,000 fee for each Site for its contribution in making the Project possible.

It is the track record of Energy4All which supports the Offer. Energy4All has successfully raised over £16 million from Community Share Offers and, since 2006, has established six community wind farm co-operatives.

Energy4All will manage the day-to-day operation of Drumlin Wind and its interactions with Members and will receive a management fee for doing so. NRG Solutions will provide project management monitoring services to Drumlin Wind and Blunden Consultancy will provide advice about Wind Turbine construction to Energy4All in relation to the Project.

11. Financial information

Drumlin Wind will not commence trading until it has completed a successful Offer and the first Wind Turbine has been built and commissioned. There is, therefore, no historical financial information.

12. Risks

All investment and commercial activities carry risk. Investors should take appropriate financial and other advice and make their own risk assessment whilst bearing in mind the social and environmental aspects of Drumlin Wind. Your attention is drawn to the specific risks on pages 9 to 10, which you should take into account before investing.

In particular, you should appreciate that:

- (i) the value of Shares may fluctuate. You may not get a return on your investment or recover the amount invested;
- (ii) Shares are not traded so you will not be able to sell them, except in limited circumstances under the Rules; (iii) the Financial Projections are necessarily based on assessments and estimates relating to a number of variable factors and any changes to these factors will impact on returns to Members; and
- (iv) returns from Drumlin Wind are dependent on government policy and the continuance of the ROCs regime in Northern Ireland for small scale wind projects.

13. The Constitution of Drumlin Wind

Drumlin Wind is a newly formed industrial and provident society registered with the Registry of Credit Unions & Industrial & Provident Societies under the Industrial and Provident Societies Act (Northern Ireland) 1969.

It is owned by and managed for the benefit of its members, who are protected by limited liability status. Its constitution is in the form of rules approved by and registered with the Registry of Credit Unions and Industrial and Provident Societies.

As a co-operative, Drumlin Wind is driven by high ethical standards as defined by the international co-operative movement and by the values of co-operation and democracy as well as a commercial ethos.

Constitutionally, key characteristics of Drumlin Wind, as a co-operative, are: a member must have the minimum number of Shares; there is a single class of Shares with a nominal value of £1; **all Drumlin Wind Members have one vote regardless of how many Shares they hold**; no member, except another industrial and provident society, may hold more than 20,000 Shares; the Board is elected by the Drumlin Wind Members; and only Drumlin Wind Members are eligible to serve on the board.

14. Investment by Directors and those otherwise associated with Drumlin Wind and Energy4All

Directors, staff and consultants of Drumlin Wind and Energy4All and members of their respective families intend to invest a total of £48,250 under the Offer.

15. Offer Costs

Drumlin Wind needs to raise a Minimum of £1.5 million to sublease two Sites and construct two Wind Turbines, which is projected to be the minimum necessary to keep its operating costs sufficiently low to pay reasonable returns to investors. If Drumlin Wind does not raise £1.5 million, it will not proceed and monies subscribed will be returned to **investors in full**.

16. How to invest

An Application Form, with details of how to invest, is attached at the end of this Offer Document. The minimum investment is £250 and the maximum investment is £20,000.



r i s k f a c t o r s

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. An investment in Shares is an investment in a trading business not a loan or deposit. Attention is drawn to the following:

General investment risks

- The value of your Shares and income from them can fluctuate and you may not get back the amount you invested. Investment in smaller unquoted businesses is likely to involve a higher degree of risk than investment in larger companies and those traded on the stock exchange.
- Shares will not be traded on a recognised stock exchange or otherwise and investors wishing to trade will be dependent on the introduction by the Board, at its discretion, of willing sellers with willing buyers, in accordance with the limited provisions under the Rules.
- Shares can redeemed by Drumlin Wind at par value in accordance with the Rules but are not withdrawable by Members without prior approval from the Board, which cannot be guaranteed. If Drumlin Wind lacks sufficient cash to enable Shares to be withdrawn when desired withdrawal may be delayed, or not possible. Investment in the Shares should be seen as a long term proposition.

Renewable energy industry risks

- Government policy towards renewable energy may change.
- The buyout price for ROCs, currently expressed to be fixed to 2037, may change.
- The value of the recycled ROC element of income may change as the industry develops.
- New inventions and developments may render existing technologies and equipment obsolete.
- Assumptions of future electricity prices used in the Financial Projections may be incorrect.
- Long-term changes to weather patterns may reduce the availability of wind which could result in lower levels of electricity generation and therefore income.
- A typical short-term weather conditions could affect expected levels of electricity generation and therefore income, although overall patterns outside anticipated parameters are unlikely.
- Although modern Wind Turbines are extremely reliable, mechanical or technical failure can interrupt the generation of electricity or the distribution network and lead to unexpected costs. Manufacturer warranties and guarantees, and regular servicing, usually offer some protection.

Risks in relation to the Offer

- The projected returns to Members of Drumlin Wind are not guaranteed and may not be realised.
- The planned Wind Turbine installations may take longer than presently estimated. In particular, there is no guarantee that revised planning permission consents will be granted for the two Sites in relation to which revised planning permission is being sought.
- Contracts for supply of Wind Turbines or balance of plant have not yet been signed and may turn out to be more expensive than currently estimated. A sufficiently high increase in cost may make the Project unviable. However, the costs used for the financial projections are believed to be conservative.
- While the Board has received confirmation that Drumlin Wind is eligible for loan finance, it is possible that Drumlin Wind will not receive loan finance on the terms or from the lenders it expects.
- While Drumlin Wind has received heads of terms in relation to power purchase from Power NI, these terms are yet to be finalised and it is possible that the terms may not be as favourable as projected.
- While Drumlin Wind has received advance assurance from HMRC that it will qualify for EIS status, there can be no guarantee that this status will be achieved or maintained.
- The soil may not be suitable for the laying of foundations for the Wind Turbines. Following initial soil investigations and observations, the Board has no reason to believe that the soil at the Sites will not be suitable for the laying of foundations for the Wind Turbines. However, further soil investigations need to be completed at a greater depth in respect of all five Sites to confirm that the soil is suitable for the laying of foundations for the Wind Turbines.

- Equipment purchased by Drumlin Wind will be supported by guarantees from companies believed by Drumlin Wind to be financially strong, but equipment suppliers, contractors, purchasers of electricity or other contracting parties with Drumlin Wind could fail to meet their obligations.
- The Financial Projections have been derived through a process of financial modelling incorporating best estimates of a range of variable and uncertain factors, having due regard to historic evidence and the experience gained by Energy4All and NRG Solutions, but may not be accurate.
- The Financial Projections are based on the assumption that the wind will be sufficient for each Site to produce approximately 460,000 kWh of electricity annually. There is a risk that this amount of electricity will not be generated either due to a reduced level of wind or due to the performance of the Wind Turbines falling below the manufacturer's projections, which are based on wind speed estimates that have a 50% chance of being exceeded when averaged over a 10 year period.
- The risk of the wind speed estimates for the Project being accurate is increased by the fact that the Garrad Hassan wind speed assessment on which the Financial Projections are based is not in accordance with internationally agreed standards. The Garrad Hassan estimates have also been adjusted to reflect the fact that the assumptions underlying the estimates assume a larger scale of wind farm than is the case in respect of the single Wind Turbine Sites in the case of the Project.

persons responsible

Drumlin Wind Energy Co-op and its Directors are responsible for the information given in this Offer Document.

The directors are:

Nigel Brady (chairman), Rodney Arbuckle, Cormac Clarke, David Morrow, Mervyn McCaughey, Andrew McMurray, Marna McMillin and Paul Phare

Lamont Pridmore, Chartered Accountants and Business Advisers of 136 Highgate, Kendal, Cumbria, LA9 4HW, registered in England No. 5362759, are responsible for assuring the Financial Projections set out in this Offer Document to the extent stated in the accountants' letter set out on Page 16.

Declaration

Drumlin Wind Energy Co-op and each of its Directors whose names are set out above 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/his/her knowledge, in accordance with the facts and contains no omission likely to affect its import.

Below: Drumlin Wind Energy Co-op Directors



Clockwise from top left:
 Nigel Brady (Chair),
 Cormac Clarke,
 David Morrow,
 Mervyn McCaughey
 Rodney Arbuckle,
 Marna McMillin,
 Paul Phare and
 Andrew McMurray

Background:

Energy4All, Energy Prospects and NRG Solutions

Energy4All is a non-profit distributing social enterprise which promotes and facilitates community ownership of renewable energy in the UK. Energy4All seeks to recover costs and provide for future development work from its fees. Any profits that arise are used by the company for the furtherance of its aims and objectives. Each new co-op as it is set up is paid for by older co-ops, and in turn supports the Co-ops of the future.

To date, Energy4All has promoted six Project Co-operatives. The co-operatives connected to Energy4All (Energy4All was set up by Baywind) which directly own Wind Turbines, as opposed to owning an interest in a commercial development owned by a corporate partner, and are therefore most like Drumlin Wind are:

Co-op	Ownership	Turbines	No. of Members	Financial Return incl EIS Tax Relief
Baywind 1996	100% community owned	5 x 500kW	1,300	2011 8.1% 2010 3.7% 2009 10.1% 2008 6.6% 2007 8.1%
Westmill 2008	100% community owned	5 x 1.3MW	2,400	2011 3.9% 2010 1.6% 2009 3.3%

Notes: Wind performance in 2010 was exceptionally poor. At Westmill the requirements of the bank financing reduce the amounts available for Member returns. These figures relate to the past and past performance is not a reliable indicator of future results.

NRG Solutions approached Energy4All during 2010 to explore the idea of offering community ownership of Wind Turbines at the five Sites in Northern Ireland. This led to the signing of the Co-operation Agreement.

Energy Prospects is a co-op set up by Energy4All in 2010 to support the development phase of community projects. Drumlin Wind will be the first co-op to make a Share Offer which Energy Prospects has supported in this way.

Energy4All recruited volunteers from the local community to serve as Directors of Drumlin Wind.

Information on Drumlin Wind and the Sites

Drumlin Wind was incorporated and registered with the Registry of Credit Union & industrial & provident societies Northern Ireland as an Industrial and Provident Society with registration number IPO 000398 on 30 May 2012. It is domiciled in Northern Ireland, Registered Office: 54 Elmwood Avenue, Belfast BT9 6AZ.

Note:

An industrial and provident society is a legal form which can be used by a co-operative.

The following are some of the key constitutional characteristics of Drumlin Wind:

- a member must have the minimum number of Shares (250);
- there is a single class of Shares with a nominal value of £1;
- all members have one vote regardless of how many Shares they hold;
- no member, except another industrial and provident society, may hold more than 20,000 Shares;
- the Board is elected by the members; only members are eligible to serve on the Board;
- Shares are transferable only with the consent of the Board;
- at the discretion of the Board, Shares may be withdrawn by members at the price paid for them;
- the Board may redeem Shares at the par value of £1 per Share in proportion to Members' shareholdings.

A copy of Drumlin Wind's Rules is set out at Page 29 as an Appendix to the Offer.

The statutory auditors of Drumlin Wind are Melville & Co, Trinity Enterprise Centre, Furness Business Park, Barrow in Furness LA14 2PN.

business overview

Principal Activities

The principal activity of Drumlin Wind is the construction and operation of Wind Turbines.

Construction of the Wind Turbines

It is the intention that one 250kW Wind Turbine will be installed at each of up to five Sites and will be connected by electricity cables to the local grid. The wind farm construction will be undertaken on behalf of Drumlin Wind by independent specialist companies in Northern Ireland under the supervision of Blunden Consultancy and NRG Solutions, experts in renewable project management and Wind Turbine construction.

Operation of the Wind Turbines

Wind Turbines are categorised by a theoretical rated output, based on a presumption that the wind blows consistently at the optimum speed. In this case, if the wind at each Site were to blow at speeds in excess of 15.5 m/s (at hub height) each 250 kW Wind Turbine would generate a steady 250 kW of power every hour.

Independent wind assessment has been carried out using internationally recognised company Garrad Hassan. Garrad Hassan has conducted two separate assessments of wind speeds which are of relevance in the context of the Offer, one of which was on-site and one of which involved creating a 'wind speed map' of Northern Ireland. Out of prudence, the Financial Projections are based on the on-site assessment, which contains the lower predictions of wind speeds. The Financial Projections are based on P50, which is intended to produce a figure which will be exceeded 5 years out of 10 and which provide a good indication of average energy yield over the life of the Project.

Garrad Hassan state that the on-site assessment did not comply with international quality standards and therefore Garrad Hassan is unable to confirm the accuracy of the on-site assessment. The wind speed map assessment involved preparing a high resolution wind speed map of Northern Ireland consisting of 100 metre squares, which when used over a portfolio of sites is expected to have reasonable accuracy. The Directors believe that there is a reasonable chance that the wind speed at the Sites will be closer to those of the wind speed map assessment (which is indicative) than the on-site assessment, which would result in considerably higher returns to Members. However, in the interests of prudence, the Financial Projections set out in this Offer have been based on the on-site assessment.

The Wind Turbines are designed to respond automatically to changing wind conditions. The Wind Turbines will benefit from a manufacturer's warranty and operation and maintenance agreement. As the Wind Turbines age, mechanical parts may need replacing but modern Wind Turbines are normally extremely reliable. After commissioning of the Wind Turbines, Energy4All and NRG Solutions will manage the ongoing operational monitoring and maintenance aspects of the Project for Drumlin Wind in accordance with the terms of the Services Agreements.

The Sites

Drumlin Wind has the contractual right under an agreement with NRG Solutions to enter into sub-leases with NRG Solutions enabling it to construct and operate 250kW Wind Turbines as follows:

Site	Wind speed from Garrad Hassan on-site report	Annual kwh output from Garrad Hassan on-site report	Wind speed from Garrad Hassan wind map report	Annual kwh output from Garrad Hassan wind map report
Aghafad Road, nr Pomeroy, Co Tyrone	6.2 m/s	460,000	6.6 m/s	530,000
Ballyboley Road, nr Larne, Co Antrim	6.2 m/s	460,000	6.9 m/s	570,000
Ballyrobert Road, nr Ballyrobert, Co Antrim	5.5 m/s	350,000	6.6 m/s	530,000
Cavanoneill Road, nr Pomeroy, Co Tyrone	5.2 m/s	300,000	6.3 m/s	480,000
Parkgate Road, nr Kells, Co Antrim	5.2 m/s	280,000	6.2 m/s	480,000
Total		1,850,000*		2,590

*For prudence this is the output used in the Financial Projections with slight adjustments for electrical losses

Preferred Wind Turbine:

The preferred Wind Turbine for Drumlin Wind is the WTN model.

However the planning consents for the Parkgate and Aghafad Sites specifically refer to another Wind Turbine model. In the opinion of Energy4All and Energy Prospects, the WTN turbine is a better choice for Drumlin Wind because it employs proven German design and technology for the size of turbines proposed. Revised planning permissions were applied for on these two Sites in late April 2012 to enable the installation of the WTN turbine.

In the event that revised planning consent is not forthcoming in respect of the two Sites in question, Drumlin Wind may choose to proceed with fewer than five Sites, even if the Maximum Capital Sum is raised from this Offer. Any surplus funds raised by this Offer will be returned to Members. The rate of return to Members is not projected to decrease in the event that Drumlin Wind chooses to proceed with fewer than five Sites.

A further amendment to the planning permission at one Site has been applied for to increase the height of the Wind Turbine tower by 10 metres. It is believed that this will increase output by approximately 10%, which would make the Site an attractive element of the Drumlin Wind portfolio of Wind Turbines. The Board proposes further measurements of the wind available at this Site to inform the Board's decision as to whether or not to install a Wind Turbine at this Site.

Operating and Financial Review

Commencement of Operations

Drumlin Wind plans to commence trading as soon as it raises the Minimum Capital Sum. At present, it has no assets or liabilities. If the Minimum Capital Sum is raised, the proceeds of the Offer will be applied to construct and commission Wind Turbines at the Sites and to meet the Offer Costs and Development Costs. These costs will be capitalised.

Operational Cash flow

Apart from the capital requirements of the Project and obligations to third party suppliers, Drumlin Wind has a limited requirement for working capital in the conventional sense, as it has no employees and few fixed costs.

Normal monthly cash expenditure is projected to be small and to be amply covered by the sale of electricity and Environmental Attributes. The Financial Projections anticipate that Drumlin Wind will be cash positive each year from the commencement of operations. Any potential cash flow pressures and timing differences in the first few months will be managed, where appropriate, through the use by Drumlin Wind of short term loans.

Financial Overview

Income

According to the Financial Projections, ROCs will be the principal source of income of Drumlin Wind. Drumlin Wind will under present arrangements receive 4 ROCs for every MWh of electricity generated by each Wind Turbine. The value of ROCs varies slightly from time to time but they are currently worth about £45 each. Drumlin Wind anticipates receiving an income of about £240 per MWh generated, increasing by inflation (assumed to be 2.5%) each year. ROCs will be the principal source of income.

Projected income from the Wind Turbines is indicated on page 14. Drumlin Wind anticipates commissioning two Wind Turbines in January 2013, and, if the decision is made to take forward all five Sites, and sufficient capital is raised to do this, commissioning the other three Sites in April 2013. Income in the first financial year ending 31st March 2013 will therefore consist principally of interest on monies placed on deposit and will be used to meet expenses, so no interest on Shares is projected to be paid to Members until after 31 March 2014.

Expenses

Expenses principally involve the cost of administering and managing Drumlin Wind which is undertaken by Energy4All on behalf of Drumlin Wind; insurance; monitoring, maintaining, and repairing the Wind Turbines which will be undertaken by the Wind Turbine manufacturer and managed on behalf of Drumlin Wind by NRG Solutions; rent due under the subleases of the Sites; operating a sinking fund for major repairs; and depreciation.

Payment to Energy4All and NRG Solutions

Energy4All will be paid a fee of up to 8% of the gross income of Drumlin Wind for its management, administration and secretarial services. The fee will start at 5% and, provided returns to Members do not fall beneath the level set out in the Financial Projections, will increase to up to 8% of the gross income of Drumlin Wind. After the first five operational years, the fee will revert to a flat 5% of gross income of Drumlin Wind.

NRG Solutions will be paid a per Site per annum fee for its Site monitoring services starting at £2,000 for the year 2013 and increasing with RPI for each subsequent year.

Financial Returns to Drumlin Wind Members & Exit Arrangements

Members of Drumlin Wind are projected to receive a reasonable return on investment, at a level intended to be sufficient to obtain and retain enough capital for Drumlin Wind's business requirements. Drumlin Wind plans to pay a variable level of interest on Shares annually in arrears reflecting financial performance in the previous year. Interest on Shares is paid by Drumlin Wind to Members gross i.e. without any tax deduction.

On the basis of five operating Wind Turbines, interest on Shares is projected:

- to be approximately 3.5% (which rises to approximately 5% if EIS tax relief is available) per annum on the sum invested in the first two financial years of electricity generation, being 2013-14 and 2014-2015; and
- to increase over the life of the Project to create a projected return for Members of approximately 7.2% over a 20 year investment period (which rises to approximately 10.3% if EIS tax relief is available).

Drumlin Wind anticipates holding its Annual General Meeting in about September each year and anticipates paying interest on Shares shortly after each Annual General Meeting, with the first payment of interest on Shares projected to be made in 2014 in respect of profits made by Drumlin Wind in the financial year to 31 March 2014. In 2016, Drumlin Wind anticipates being able to redeem approximately 15% of its total share capital from its Members, subject to compatibility with EIS relief, business performance and there being sufficient funds.

Each year from 2017 onwards, through a projected combination of increasing income and the proposed return of capital, Drumlin Wind anticipates being able to pay an increasing rate of interest on the share capital remaining invested in its business (although unexpected expenses or poor performance may affect this pattern).

Taxation by Drumlin Wind

Drumlin Wind does not anticipate having any liability for corporation tax for at least the first 17 years of trading as it should receive capital allowances on its capital expenditure on Wind Turbines, against which it will be able to offset the corporation tax which would otherwise have been payable, and because the payment of interest on Shares to Members by Drumlin Wind is tax deductible. Drumlin Wind has registered for VAT.

Financial Projections

The following is a summary of the Financial Projections, which have been approved by the Board. The Financial Projections are based on information provided by NRG Solutions and Energy4All and tested against independent data, including an independent on-Site wind assessment by Garrad Hassan, as far as circumstances have reasonably allowed. The Board has made an adjustment to the on-Site wind assessment by Garrad Hassan which slightly increases the projected wind speed for the Sites for the purposes of the Financial Projections. The adjustment has been made because Garrad Hassan use standard assumptions with regard to on-Site electrical losses which generally apply to larger scale wind farms. These on-Site electrical losses have been reviewed by NRG Solutions and an adjustment has been made, which in the view of the Board is likely to more accurately reflect the single Wind Turbine installations which comprise the Project and the particular WTN Wind Turbine which is proposed.

The Financial Projections are also based on contracts entered into, and estimates received, supported by the expertise of Energy4All. The Directors take responsibility for the reasonableness of the Financial Projections.

Returns to Members are calculated according to projected income and expenditure during the life of the Project. The Financial Projections are based on key assumptions, which are summarised below. The annual amount available for payment as interest on Shares is divided by the number of Shares in issue to give:

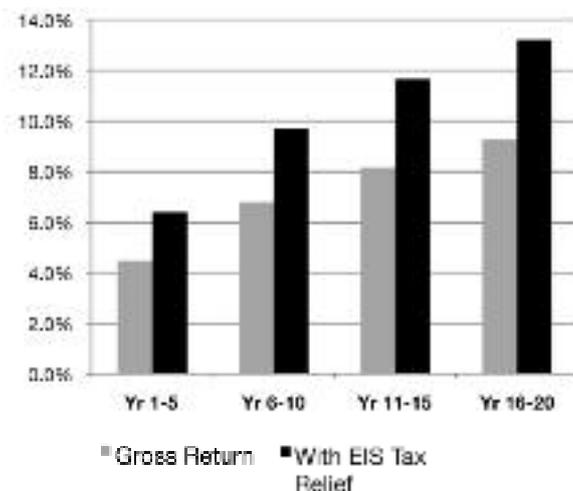
- a projected gross return of approximately 7.2% over a 20 year investment period;
- a projected net return of approximately 10.3% over a 20 year investment period, if income tax relief under EIS is available, which is equal to 30% of a Member's initial investment.

The Financial Projections are based on the assumption that the Application Monies will be sufficient for Drumlin Wind to purchase and install all five Wind Turbines. In the event that the Application Monies only allow Drumlin Wind to purchase and install less than five Wind Turbines, then the projected returns to Members are no lower than for five Wind Turbines.

Drumlin Wind intends to repay all its Member capital by year 21, after which all profits of Drumlin Wind will be used for the benefit of the Northern Irish community.

The adjacent graph setting out the Financial Projections is based on the assumption that the level of loan capital used to construct the Wind Turbines will be short term and limited to a maximum of 10% of equity (if all five Sites are adopted) and so will not have a material impact on the projected returns available to Members. It is assumed the lower wind speeds shown on Page 12 are achieved. Higher wind speeds would lead to higher returns to Members.

The graph shown is based on the Financial Projections set out in the table below.



Year	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	
Projected Profit	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	* Average income over the period
Equity	133	125	147	160	165	*166	*142	*76	** Average equity over the period
Projected return	3,400	3,400	3,400	3,400	2,890	**2,456	**1,734	**825	
	3.9%	3.7%	4.3%	4.7%	5.7%	6.8%	8.2%	9.3%	

Assumptions

The Financial Projections are based on the following principal assumptions, the majority of which are ultimately beyond the control of Drumlin Wind:

- Drumlin Wind raises £3.4 million and installs Wind Turbines at all five Sites.
 - The loan capital in relation to the Project, will be provided
 - The loan capital used in relation to the Project will be short term and limited to a maximum of 10% of the total proceeds raised by this Offer.
 - Capital costs incurred for the Project will be in accordance with estimates received.
 - Wind Turbine installations will all be completed in accordance with the timetable and by April 2013.
 - Wind speeds achieved on the Sites will be in line with the lower wind speeds shown at Page 12 with slight adjustments for electrical losses
 - ROCs continue and the regulations that currently apply to ROCs remain unchanged.
 - Current expectations relating to the global energy market, the UK electricity industry, UK government policy and the desirability for and the promotion of electricity from renewable sources will remain reasonably consistent and reasonably favourable to Drumlin Wind over the next 20 years.
 - Inflation is 2.5% during the life of the Project and inflation at this level applies consistently to wholesale electricity prices, the price of ROCs and the expenses of Drumlin Wind.
 - Expenses are projected at a similar level to those on other Project Co-operatives unless there is detailed information available to Drumlin Wind which provides a better estimate of projected expenses.
 - A ROC is assumed to be worth £45.50 in 2012.
 - Electricity output on the part of Drumlin Wind is in accordance with Drumlin Wind's estimates.
 - The Wind Turbines of Drumlin Wind are operational for 97% of the life of the Project, in accordance with the proposed availability warranty offered by the manufacturers.
 - Provision is made in the Financial Projections for major component replacements, (such as blades and gearboxes) which are anticipated to arise in years 10 and 15.
- Share capital is redeemed at the rate of 15% in 2016 and then at between 4% and 10% per annum.

Notes: a higher rate of inflation is likely to improve the financial performance of Drumlin Wind, as it is likely to lead to a higher price for the sale of electricity and Environmental Attributes by Drumlin Wind. In the event that fewer than five Wind Turbines are installed, returns to Members are not projected to fall below the levels shown in the Financial Projections.

Any of the assumptions not being realised is likely to result in adjustments to the Financial Projections. Financial Projections and assumptions such as those set out above are inherently less reliable over longer time spans.

Offer Costs and Development Costs

Offer Costs are anticipated to be £100,000.

Energy4All will be paid a fee of a minimum of £30,000 up front and up to a maximum of 5% of the capital cost of the Project in total for its work in developing Drumlin Wind and co-ordinating the Offer on behalf of Drumlin Wind. NRG Solutions will receive lease premiums of a minimum of £120,000 up front and up to a maximum of approximately 12% of the capital cost of the Project in total for its work in developing Drumlin Wind. Payments in addition to the minimum up front payment are dependent on Wind Turbine performance. These fee arrangements are intended to reduce risk for Drumlin Wind and its Members.

Energy Prospects will be paid a fee for the financial and expert construction support it has provided to Drumlin Wind in relation to the development of the Project, which shall amount to £15,000 per Site.

If the Minimum Capital Sum is not raised, neither Energy4All, NRG and Energy Prospects will not receive any fees.

Borrowing

Drumlin Wind does not intend to have any long term borrowings but may borrow up to 10% of its share capital on a short to mid term basis for business purposes such as:

- funding any VAT due
- completing an installation at a Site if funds raised are insufficient
- any Wind Turbine repairs and replacements above budgeted amounts.

Accountant's letter

The Directors
Drumlin Wind Energy Co-operative Limited
c/o 54 Elmwood Avenue
Belfast BT9 6AZ

14 June 2012

Dear Sirs

We report on the Financial Projections comprising the projected income & expenditure account of Drumlin Wind Energy Co-operative Ltd ("the Company") for the twenty years ending 2033 (the "Financial Projections"). The Financial Projections, and the material assumptions upon which they are based, are set out on Page 14 of the section headed "Information on Drumlin Wind and the sites" (the "Document") issued by the Company as a section of the Share Offer dated 25 June 2012. This report is given for the purpose of enabling compliance with the Financial Services 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.

This report is made solely to the company's Board of Directors, as a body, in accordance with our terms of reference dated 25 May 2012. Our work has been undertaken so that we might state to the company's Board of 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 Board of Directors, as a body, for our work, for this report, or for the opinions we have formed.

Basis of Preparation of the Financial Projections

The Financial Projections have been prepared on the basis stated on Page 14 of the Document.

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

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 affect its import.

Yours faithfully

Lamont Pridmore Chartered Accountants and Business Advisers, 136 Highgate, Kendal, Cumbria LA9 4HW

Administration & Management

Management Structure

Drumlin Wind will have no employees and the business is not dependent on key individuals. Administration and day to day operations will be managed by Energy4All and NRG Solutions under the supervision of the Board. The Board will bear ultimate responsibility to the Members, acting on reports and advice from Energy4All.

The management agreement between Drumlin Wind and Energy4All and the monitoring agreement with NRG Solutions are intended to endure throughout Drumlin Wind's involvement with the Project in order to provide Drumlin Wind with guaranteed management services support.

Energy4All: Project Manager

Energy4All was established in 2002 by Baywind with help from Co-operative Action. It is jointly owned by Project Co-operatives and by its directors and operates on a non profit distributing basis.

Energy4All Key Personnel

Energy4All employs an expert staff of 14, the following members of which will be those principally engaged in supporting Drumlin Wind:

Marna McMillin joined Energy4All in July 2006 as its Chief Executive. She is a former partner in KPMG and has experience in corporate finance and project management. She leads the Energy4All team and in particular leads on the raising of debt and equity finance and on joint ventures.

Annette Heslop is the Finance and Administration Director of Energy4All, which she joined in 2006. She joined The Wind Co. UK Ltd in 1998 and has been a director of Baywind since 1999. She is responsible for the professional administration of all the Energy4All Co-ops. As Finance Director of Energy4All she leads on financial control, modelling, costing, projections, banking and treasury.

Mike Smyth is a Non Executive Director of Energy4All. Mike is a solicitor specialising in corporate and commercial law and was a partner at Lawrence Graham in London for more than 20 years. Passionately concerned about the environment, Mike chaired the board of Friends of the Earth Trust until February 2012. Mike was a co-founder of Keepsafe Limited, which grew to become a substantial self-storage warehousing business, and of Wey Valley Solar Schools Energy Co-operative, one of the largest solar energy co-operatives formed to date. Mike is also a director of Energy Prospects.

Paul Phare is a Regional Development Manager for Energy4All based in Scotland. Paul's degree was in manufacturing systems engineering from Bristol University. His final year dissertation studied the feasibility of domestic wind systems. Paul joined the renewable sector in 2003 with Vesta Celtic and joined Energy4All in 2008.

NRG Solutions – Construction Manager

In 2009, **Andrew McMurray** formed NRG Solutions, which has provided technical electrical expertise on over 500MW of renewable projects in Ireland, as well as developing a portfolio of 250kW Wind Turbine projects. Andrew has a degree in Electrical Engineering and eight years experience in Wind Turbine project management and electrical installation. He has volunteered with Friends of the Earth for 13 years and served as a board member from 2006 to 2009.

Blunden Consultancy – Adviser to Energy4All

Blunden Consultancy is the personal consultancy company of Rod Blunden. Rod was Head of Projects and Procurement for 15 years for a major UK utility, specialising in taking wind projects from planning consent through to the operations phase, and has more than 20 years' experience of Wind Turbine construction both in the UK and overseas. As well as working with many other companies he remains a Director of Westmill, where he oversaw the construction of that project, and is also a Chair of Energy Prospects.

Directors & Company Secretary of Drumlin Wind Energy Co-op

The business address of each of whom is c/o Drumlin Wind Energy Co-op, c/o 54 Elmwood Avenue, Belfast BT9 6AZ.

Rodney Arbuckle is a farmer from Connor, Ballymena farms mainly dairy Holstein Friesian and beef. He is married to Karen and has three young sons. Rodney has lived in the area all his life, born in Ballymena and educated at Ballymena Academy and later at Greenmount Agricultural College. He left Ballymena Academy aged 16 to work on the family farm alongside his father. He took over management of the farm which has been in his family for many years when his father passed away in 1993.

David Morrow has been involved with Co-operatives for over 10 years. In 2009 he was elected to the Regional Board for The Co-operative Group. David has been vice chair of The Co-operative in Northern Ireland. David is young enthusiastic and committed to the development of an alternative business model like the co-operative movement where the benefits are shared around and everyone has an equal say. David's full time role is a Commercial Manager for a fresh produce company dealing with all aspects of the supply chain from the farmer through to the retailers.

Cormac Clarke is a farmer from Pomeroy, Co. Tyrone and keeps cattle, sheep and chickens. Cormac sees that farming is changing all the time and, given the importance of protecting the environment, Cormac believes that waste management and green issues have to be continuously addressed. In 2009, when Cormac was approached by NRG Solution in relation to the installation of a Wind Turbine on his land to produce renewable energy, he thought it was the right direction to take his farm forward.

Nigel J. Brady was appointed Director of Bryson Energy, the Energy Agency for Northern Ireland in 2007. The Agency was formed in April 2007 and is one of the largest and most successful of some 380 European Energy Agencies operating across Europe. Bryson Energy is part of the Bryson Charitable Group and operated in partnership with Derry City Council and Fermanagh District Council. Nigel was previously a Member of the Northern Ireland Fuel Poverty Advisory Group 2010 and also provided secretariat for the All-Party Group on Energy, established 2008 at Parliament Buildings, Stormont.

Mervyn McCaughey has been Managing Director of Fivemiletown Creamery since 2004. This farmer owned co-operative was established in 1898 and processes around 80 million litres of milk annually. Since joining the company turnover has increased 400%. All profits from the co-operative are paid to its members as a dividend. Before taking up the role at Fivemiletown Creamery, Mervyn was Commercial Director at Pann Krisp Limited, a £60m turnover award winning ready meals manufacturer based in North Wales. Prior to this he held a senior management position with Berlin based MKF Foilen GmbH and for almost 7 years was Group Purchasing Manager at Moy Park Limited.

Andrew McMurray, Marna McMillin and Paul Phare are all Directors of Drumlin Wind and **Annette Heslop** is the company secretary of Drumlin Wind. Their respective biographies are set out on page 17.

Drumlin Wind Founder Members

Drumlin Wind was founded by Andrew McMurray, Marna McMillin and Paul Phare, each of whom subscribed for Shares in order to qualify as Directors as required by the Rules. Founder members do not enjoy any special status.

Investment in Drumlin Wind by those connected with the offer

Directors, staff and consultants of Drumlin Wind and Energy4All and their immediate families intend to invest £48,250 for Shares in Drumlin Wind, on the same terms as the public.

Disclosure statement

Neither Energy4All and its officers nor the officers of Drumlin Wind have, for at least the past five years, received any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies, receiverships or insolvent 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.

Statement of Conflicts of Interests and Related Party Transactions

Marna McMillin, Annette Heslop and Paul Phare each work for and are remunerated by Energy4All, which is providing

development and management services to Drumlin Wind.

Andrew McMurray works for and is remunerated by NRG Solutions, a company he founded and owns, which is providing project management consultancy services to Drumlin Wind.

Rod Blunden is the Chair of Energy Prospects and, through Blunden Consultancy, his personal consultancy company, Rod is advising Energy4All on Wind Turbine construction.

Directors who are connected with Energy4All shall not participate, be counted in the quorum or vote on any consideration of the terms of any agreement between Drumlin Wind and Energy4All or on the quality of their performance as Directors or in relation to any actual or potential dispute between Drumlin Wind and Energy4All.

Andrew McMurray and Rod Blunden shall not participate, be counted in the quorum or vote on matters concerning the relationship between Drumlin Wind and NRG Solutions or Blunden Consultancy respectively.

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

Remuneration statement

Each Director is entitled to be paid £500 per annum (inflation linked) for the service of acting as a Director. No Director will be paid until the first Wind Turbine is commissioned and generating income.

The Directors are acting as Directors because they are committed to the success of the Drumlin Wind business, the ethos it represents, the ability of a community to make a difference by their own actions and the financial, environmental and community returns the business delivers.

Directors will be given priority for Applications under the Offer, but there are no pension schemes or Share option schemes and, except for the reimbursement of properly incurred expenses, there are no other benefits for Directors.

Board Practices

Directors serve in accordance with the Rules. There are no service contracts for either Directors or the Secretary.

As the Shares will not be listed, Drumlin Wind is not obliged to comply with The Combined Code on Corporate Governance. In view of its size, it would be impractical for an attempt to comply with the Combined Code to be made. As an industrial and provident society, Drumlin Wind complies with the registration requirements of the Northern Ireland Registry of Credit Union & Industrial & Provident Societies.

Adoption of co-operative principles

As a co-operative, Drumlin Wind will, whilst trading as a commercial organisation, strive to promote the Co-operative Values and Principles: Self help and self-responsibility; Democracy and equality; Honesty and openness; Social responsibility; Autonomy and independence; Member economic participation; Opportunities for education; Concern for community; and Co-operation among co-operatives.

Current and anticipated shareholdings of Directors

Name	Current shareholding	Intention following this Offer	Proposed total holding
Rodney Arbuckle	£250	£1,250	£1,500
Nigel Brady	£250	£1,000	£1,250
Cormac Clarke	£250	£4,750	£5,000
Mervyn McCaughey	£250	£250	£500
David Morrow	£250	£250	£500
Andrew McMurray	£250	£19,750	£20,000
Marna McMillin	£250	£4,750	£5,000
Paul Phare	£250	£250	£500

Drumlin Wind has not and does not propose to issue any Share options.

Major Shareholders

There are currently no major shareholders in Drumlin Wind and in the context of an industrial and provident society such a concept is of limited significance. There is a principle of one vote per member whatever a Member's holding and a limit of 20,000 Shares for individuals and for organisations except other industrial and provident societies.

Currently the eight Directors control Drumlin Wind. After the Offer no individual, organisation or groups of individuals or organisations will have control, given the one Member, one vote governing principle.

Financial Information

Accounts

Drumlin Wind was incorporated on 30 May 2012. Its financial year-end is 31st March. A Balance Sheet prepared as at 31st May 2012 showed that, except for the issue of 750 Shares at par, no other transactions had taken place.

Dividend Policy

It is intended that Shares will attract a payment of interest annually in arrears and there is currently no policy to pay dividends. Interest rates will vary according to financial performance.

Legal Proceedings

There have been no governmental, legal or arbitration proceedings relating to the projects of Drumlin Wind and none are pending or threatened which could have a significant effect on the financial position or profitability of Drumlin Wind.

Constitutional Document

Rules

Drumlin Wind is a co-operative owned by its Members. Members elect directors and each Member has one vote in a Members' meeting regardless of the number of Shares held. Members are protected by limited liability and are only obliged to contribute the initial cost of their shares. As an industrial and provident society, Drumlin Wind is governed by Rules which are approved by and registered with The Registry of Credit Union & industrial and provident societies Northern Ireland. A copy of the Rules is included in this Offer on page 29 and further copies are available on Drumlin Wind's web site at www.drumlin.coop.

Attention is drawn to the following Rules in particular:

Rule 2 sets out Drumlin Wind’s objects, which are, in summary: as a co-operative, to carry on the business of installing and operating renewable energy generation, conserving energy and supporting educational initiatives related to renewable energy.

Rule 5 states that the Board may admit to membership any person who is 18 or older and who supports the objects of the Co-operative and has agreed to subscribe for Shares.

Rule 7 states that an Annual General Meeting must be held within seven months of the close of each financial year. Other general meetings may be requested by 10% of members. 14 days notice must be given of the date, time, and place of the meeting and the business to be transacted.

Rule 8.2 provides that each member shall have one vote per holding, regardless of the number of Shares held by them, on resolutions of the members, including in relation to the appointment of Directors.

Rule 9 provides for amendment to the Rules by majority vote of the members, provided the amendment is registered by the Northern Ireland Registry of Credit Union & Industrial & Provident Societies.

Rule 11 provides that there shall be a minimum of three and a maximum of seven directors. Directors must be members (aged 18 or over) and are appointed by the members. One third of the directors retire by rotation each year. NRG Solutions, and Energy4All whilst it is the contracted manager of the Co-operative, are each entitled to appoint one person to the Board.

Rules 15, 16 and 17 relate to the transfer and withdrawal of Shares, as described above.

Rule 24 provides that interest is payable to members in proportion to their investment in Shares; it is not paid equally to members.

Material Contracts & Proceedings

There have been no governmental, legal or arbitration proceedings relating to Drumlin Wind or its Sites and none are pending or threatened.

A summary of the material agreements entered into by Drumlin Wind in relation to the Project is set out below. A due diligence report in relation to the leases and planning permissions has been prepared by Pinsent Masons LLP and each of the material agreements have been reviewed by Bates, Wells & Braithwaite London LLP.



Co-operation Agreement and Sub-Leases

NRG Solutions benefits from a lease from the relevant landowner in respect of each of the Sites, which permits the sub-letting of the relevant Site and is consistent with the implementation by Drumlin Wind of the Project.

Under the terms of a co-operation agreement between Drumlin Wind, Energy4All, Energy Prospects, Andrew McMurray and NRG Solutions:

- NRG Solutions agrees not to enter into any negotiations with any party other than Drumlin Wind in respect of the sub-letting of any of the Sites for an exclusivity period lasting for the period of the Offer
- NRG Solutions will receive lease premiums of a minimum of £120,000 up front and up to a maximum of approximately 12% of the capital cost of the Project in total for its work in developing Drumlin Wind. Payments in addition to the minimum up front payment are dependent on Wind Turbine performance. This fee arrangement is intended to reduce risk for Drumlin Wind and its Members.
- NRG Solutions agrees to carry out a number of other actions with the intended purpose of preparing the Sites for the Project, for example, in relation to the application for revised planning consents;
- Energy4All agrees to seek to maximise income for Drumlin Wind from the sale of electricity and Environmental Attributes in relation to the Project;
- all parties agree to use reasonable endeavours to implement the Project according to the timetable and milestones set out in this Offer Document;
- Drumlin Wind commits to proceed with this Offer;
- Drumlin Wind agrees to make a payment of £2,000 per Wind Turbine, increasing with RPI annually, towards projects and initiatives which are of wider community benefit; and
- the co-operation agreement terminates in the event the Minimum Capital Sum is not raised.

The subleases of the Sites from NRG Solutions to Drumlin Wind provide for the following rental payments:

- a base rent equivalent to that payable by NRG Solutions to the landowners
- additional rental payments once Members' pre-tax relief returns exceed 6% per annum. Where the interest on Shares is paid at a pre-tax relief rate of between 6% and 9% for a particular year, an amount equivalent to 50% of the excess over 6% is paid as additional rent by Drumlin Wind to NRG Solutions. Where the interest on Shares exceeds a pre-tax relief rate of 9%, an amount equivalent to 75% of the excess is paid as additional rent by Drumlin Wind to NRG Solutions.

The effects of these rent arrangements are reflected in the Financial Projections.

The co-operation agreement is intended to ensure that all the parties co-operate to make the Project a success and to ensure that Drumlin Wind obtains appropriate contractual commitments from third parties on which it is relying.

Energy4All – Development Services Agreement

Under a development services agreement, Energy4All will be paid a fee of a minimum of £30,000 up front and up to a maximum of 5% of the capital cost of the Project in total for its work in developing Drumlin Wind and assisting Drumlin Wind with the Offer.

This arrangement is intended to reduce risk for Drumlin Wind and its Members, whilst enabling Energy4All to benefit from any Wind Turbine performance which exceeds the Financial Projections, so that Energy4All is able to operate on a sustainable financial basis and to set up more renewable energy co-operatives in future.

Energy4All – Services Agreement

Under a services agreement between Drumlin Wind and Energy4All, Energy4All will be paid a fee of up to 8% of the gross income of Drumlin Wind for its management, administration and secretarial services. The fee will start at 5% and, provided returns to Members do not fall beneath the level set out in the Financial Projections, will increase to up to 8% of the gross income of Drumlin Wind. After the first five operational years, the fee will revert to a flat 5% of gross income of Drumlin Wind. Energy4All is a non profit distributing social enterprise that reinvests any surplus it makes in its work of promoting community ownership of renewable energy.

Energy4All and Energy Prospects – Feasibility Agreement

Under a conditional fee agreement between Drumlin Wind, Energy4All and Energy Prospects, Energy Prospects provides general feasibility, planning and project development services to Drumlin Wind in return for a fee of £15,000 plus VAT for each Site on which Drumlin Wind installs a Wind Turbine, plus relevant expenses.

The fees payable to Energy Prospects are conditional on the Minimum Capital Sum being raised from the Offer.

NRG Solutions – Monitoring Services and Project Management Agreement

Under a services agreement, NRG Solutions has agreed to provide Drumlin Wind with services relating to the operation, monitoring, and maintenance of the Wind Turbines at the Sites, for which payment will be made at a rate of £2,000 per turbine per annum, increasing each year in line with inflation.

It is intended that contracts with NRG Solutions and Blunden Consultancy for the project management of the installation of the turbines will be agreed during the Offer Period. Outline terms have already been discussed between Drumlin Wind, NRG Solutions and Blunden Consultancy and are reflected in the Financial Projections.

Third Party Information and documents available for inspection

General information sourced from third parties in this Offer Document, in particular Energy4All, has been accurately reproduced and as far as the Directors are aware and are able to ascertain from available information, no facts have been omitted which would render the reproduced information inaccurate or misleading.



information on the offer

Working Capital Statement

The Project will commence if the Minimum Capital Sum is raised, in which case, Drumlin Wind will have sufficient working capital for at least 12 months following the date of this Offer Document.

Reasons for the Offer and Use of Proceeds

This Offer is being made to:

- raise the capital required to finance the Project, including:
 - covering the Offer Costs and the Development Costs
 - purchasing Wind Turbines, cabling and ancillary equipment
 - installing the Wind Turbines, cabling and ancillary equipment
 - ongoing operational expenditure of Drumlin Wind
- draw as many Members as possible from the Northern Irish community
- make a contribution to promoting renewable energy

Shares

A maximum of 3.4 million Shares of £1 are offered at par under the terms of this Offer. Shares are payable in full on acceptance of an Application on the Terms and Conditions.

The Shares, which will not be traded on any stock exchange, have been created under the industrial & provident societies Act (Northern Ireland) 1969.

Successful Applicants will receive share certificates and their details and holdings will be recorded in a share register to be kept by Energy4All, on behalf of Drumlin Wind, at Trinity Enterprise Centre, Furness Business Park, Barrow-in-Furness, LA14 2PN or any successor business address. Each person or organisation issued with Shares becomes a Drumlin Wind Member with the membership rights set out in the Rules.

The principal rights are:

- one vote per holding on resolutions of the Members, including in relation to the appointment of Directors
- the right to receive a proportionate annual interest payment, subject to available profits
- the right to the return of the original investment during the life of the Project, subject to available surplus assets and any new business of Drumlin Wind, as determined by the Directors
- as a Member, eligibility for election to the Board.

Interest payment/dividend rights

The Directors intend to pay interest on the balance of each Member's account at rates which will reflect financial performance. The date on which entitlement to interest arises will be announced each year. It is envisaged that any interest unclaimed for a period of seven years will be returned to Drumlin Wind for the benefit of all Members.

Each Share carries a right to an equal part in any declared dividend, although it is not the present intention of the Directors to declare dividends in addition to annual interest payments. The Rules contain no restrictions on interest and dividend payments and no special procedures have been established for non-resident holders.

Redemption of shares

Members do not have the right to withdraw Shares. However, the Board has the power to permit Shares to be withdrawn on the request of a Member, in accordance with any conditions the Board may decide. In addition, the Board may redeem Shares from Members, in proportion to Members' shareholdings, at £1 per share.

Taxation of returns to Members

Interest paid on Shares to Drumlin Members will be subject to United Kingdom taxation. It is expected that payments will be made gross and Members will be responsible for declaring this income on their tax returns. Should dividends be declared (which is not anticipated) Drumlin Members will receive notional tax credits, under current legislation.

Complaints

Any complaints about this Offer or the Shares should be sent to the Chairman of Drumlin Wind at Drumlin Wind Energy Co-operative Ltd, 54 Elmwood Avenue, Belfast BT9 6AZ. Reference may also be made to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

EIS Tax Relief on Shares

Drumlin Wind has received advance assurance from HM Revenue & Customs that the Shares will qualify for EIS relief. EIS relief offers various tax benefits to investors. The following description of the terms of EIS relief assumes that the changes relating to EIS set out in the current Finance (No 4) Bill are enacted unaltered.

Under EIS, income tax relief is available to individuals who subscribe for ordinary shares. The relief is equivalent to 30 per cent of the cost of the shares and may be set against the individual's income tax liability for the tax year in which the investment was made. EIS relief cannot be set off against dividend income, as the tax credit attached to the dividend is not recoverable.

There is a 'carry back' facility which allows all or part of the cost of the shares acquired in one tax year to be treated as though those shares had been acquired in the preceding tax year. Relief is then given against the income tax liability of that preceding year rather than against the tax year in which those shares were acquired. This is subject to the overriding limit for relief for each year.

The Shares must be held for a certain period or income tax relief will be withdrawn. Generally, this is three years from the date the Shares were issued. But if the qualifying trade starts after the Shares were issued, the period is three years from the date the trade actually starts. In the case of Drumlin Wind its trade will start when the first Wind Turbine starts to generate electricity.

The payment of tax on a capital gain can be deferred where the gain is invested in Shares of an EIS qualifying company. The gain can arise from the disposal of any kind of asset, but the investment must be made within the period one year before or three years after the gain arose. The deferred capital gain is taxed whenever the Shares are disposed of or are deemed to have been disposed of under the EIS legislation.

If Drumlin Wind does not comply with the requirements of the EIS scheme for a qualifying period, the tax reliefs will be withdrawn and will not be available for Members in respect of that qualifying period.

Investors cannot assume that EIS relief will necessarily be available on investment in Drumlin Wind. Investors should consider taking advice from an appropriate professional adviser on their own individual circumstances.

The Board will take reasonable steps to conduct the business of Drumlin Wind so that it qualifies for EIS but there is no guarantee that it will be able to do so.



Investing for children and gifting your Shares in your will

As a long term investment projected to have an increasing return which can span the generations, parents and grandparents can invest in Drumlin Wind now for their children and grandchildren or can invest on their own behalf now with a view to giving their investment to their children and grandchildren. Shares can be inherited in accordance with any instructions you set out in your will and this should not generally affect EIS tax relief.

If a person applies for Shares on behalf of a child nominee, EIS tax relief is not available. Shares purchased on behalf of a child nominee will be held in the name of the Applicant and transferred to the child upon reaching the age of 18. Any returns payable in respect of the Shares will be paid direct to the child.

Supporting the Community

Drumlin Wind is an ethical organisation and a social enterprise. It is not a profit maximising organisation. It seeks to pay a reasonable return to Members on capital invested, and a sufficient return to attract and retain that capital, but is also motivated by broader community objectives and the values of the co-operative movement. For this reason Drumlin Wind intends to pay £2,000 per Site per annum (inflation linked) each year to a fund to benefit the Northern Irish community and in particular to undertake primarily educational activities.

Terms and Conditions of the Offer

Eligibility

The Offer is open to anyone, over 18 years of age, who meets the membership requirements of the Rules. Rule 5 states that: “the Board, at its sole discretion, may admit to membership any person or body corporate who or which is an electricity consumer (or the spouse or partner or relative of such person or associated with such body corporate) and who or which has agreed to pay to Drumlin Wind any subscription or other sum due in respect of such membership”.

Minimum and maximum holdings

The minimum number of Shares which can be applied for is 250 and the maximum (save for other industrial and provident societies) is 20,000.

Application procedure

- Anyone interested in responding to this Offer is strongly advised to consider taking appropriate independent financial and other advice in relation to the Terms & Conditions of this Share Offer.
- Shares shall be applied for using the Application Form on Page 37 following the Guidance Notes on Page 36.
- By delivering an Application Form, an Applicant offers to subscribe, on the Terms and Conditions contained in this Share Offer, for the number of Shares specified, or such lesser number as may be accepted.
- Read the Rules of Drumlin Wind set out on Page 29, since if you receive Shares you agree to automatic membership of Drumlin Wind and to be bound by its Rules.
- Once an Application has been made it cannot be withdrawn.



The Offer timetable

The Share Offer will remain open until 21st September 2012 (but will be closed early if the Maximum Capital Sum is raised). The Board expects the following timetable to apply, although if the Offer Period is extended, other timings will extend correspondingly. There is inevitably a degree of uncertainty over the precise dates for the commissioning of the Wind Turbines in respect of the Project. Drumlin Wind will have a 31st March year end.

2012 25 June 21 September 8 October 15 October 22 November	Offer Period opens Offer Period ends unless closed early or extended Offer results published. Monies returned on unsuccessful or scaled down Applications, or if the Offer does not raise the Minimum Capital Sum Share Certificates issued to Members
2013 January March April May September	First two Wind Turbines commissioned Remaining Wind turbines commissioned Financial accounts prepared for 2012/13 Formal application for EIS tax relief made following trading for four months Annual General Meeting
2014 and 2015 April September September	Financial accounts prepared Annual General Meeting Payment of interest on Shares to Members

Extension or Reduction of Offer Period

The initial Offer Period is for 12 weeks, but may be closed early upon receipt of priority Applications amounting to the Maximum Capital Sum. The Directors reserve the right to extend the Offer Period at their discretion (although the current intention is that the Offer Period will not be extended for more than 12 weeks).

Consequences if the Offer is unsuccessful

The Project will not proceed if a sum less than the Minimum Capital Sum is raised. Monies will be returned to the Applicants as soon as practical.

Commitments and confirmations by Applicants

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

- meets the eligibility criteria
- is not (unless an industrial and provident society) making multiple applications for more than 20,000 Shares
- is not relying on any information or representation in relation to the Shares, Drumlin Wind, or the Project which is not included in this Offer Document
- shall provide all additional information and documentation requested by Drumlin Wind in connection with their Application, including in connection with taxation, anti-money-laundering or other regulations.

Any person signing an Application Form on behalf of another person undertakes they are authorised to do so.

Procedures on receipt by Drumlin Wind of Applications

- Offer cheques/bankers' drafts may be presented following receipt and may be rejected if they do not clear on first presentation
- Surplus Application Monies may be retained pending clearance of successful Applicants' cheques
- Applications may be rejected in whole, or in part, or be scaled down, without reasons being given
- Application Monies in respect of any rejected or scaled-down Applications shall be returned by crossed cheque, payable to the Applicant, to the postal address on the Application Form no later than one month after the end of the Offer Period (as extended)
- No interest is payable on submitted Application Monies which become returnable
- Applications on incomplete or inaccurate Application Forms may be accepted as if complete and accurate
- Drumlin Wind reserves the right not to enter into correspondence with Applicants pending the issue of Share certificates or the return of Application Monies
- The results of the Offer will be published on the website www.drumlinwind.coop and by press release within one month after the Offer has been closed
- In the case of oversubscription the Directors shall, in their discretion, determine the appropriate allocation of Shares, taking account the priority categories of Applicant set out below
- Share certificates will be issued to successful Applicants two months after the end of the Offer Period.

Plan of distribution and allotment

This Offer Document is the only market offering in respect of the Shares.

The Directors have indicated that, in addition to the £2,000 Shares shares already held by them, they intend to subscribe for a further £32,250 shares in this Offer (See Page 19).

If Applications are received for an amount that exceeds the Maximum Capital Sum, the Directors reserve the right to scale down and/or refuse some applications. If this is necessary, Directors' applications will be met in full and priority will then be given to Applications from;

- First Priority – residents of Northern Ireland
- Second priority – Directors, employees and associates of Drumlin Wind, Energy4All and Members of Energy Prospects

If the Offer becomes oversubscribed, Applications may be proportionately scaled down within priority classes.

The Offer will be closed on 21st September (or such later date as is set by the terms of any extension to the Offer Period).

The Board may close the offer earlier if the Offer is fully subscribed by priority Applicants.

Multiple Applications will be admitted providing that they do not result in a Member (other than an industrial and provident society) holding more than 20,000 Shares.

Welcoming letters and Share certificates will be issued to successful Applicants by 22 November 2012 (or such later date as is set by the terms of any extension to the Offer Period). The Board will not approve any Share transfers prior to the issue of share certificates.

Pricing, trading and dealing arrangements

The Board has resolved to offer Shares at their par value of £1. Shares will not be traded on a recognised stock exchange but Members may arrange to transfer Shares to other Members. As far as possible, Drumlin Wind will endeavour to put willing sellers into contact with willing buyers and all Share transfers will be subject to Board approval (exercisable with reference to the general interests of Members).

The Board of Drumlin Wind has the right to redeem Shares from Members on a proportionate basis. The price at which Shares will be redeemed will be £1.

Offer Costs

Offer Costs are not expected to exceed £100,000.

Governing Law

The Terms and Conditions of the Offer are subject to English law.

g l o s s a r y

Application -	An application for Shares on the Terms and Conditions
Application Form -	The form in the Appendices to this Offer Document on Page 37 which must be completed and returned in accordance with the Terms and Conditions on Page 24 and the Guidance Notes on Page 36
Applicant -	An applicant for Shares through submission of an Application Form
Application Monies -	The total gross sum realised by this Offer
Baywind -	Baywind Energy Co-operative Ltd (registered industrial and provident society (number 28354R)), part-owner of Energy4All and owner of six Wind Turbines in south Cumbria. Baywind was ranked as one of five winners in the dti 2004 Enterprising Solutions Award, (The National Social Enterprise Award)
Board -	The Board of Directors of Drumlin Wind
Blunden Consultancy -	Blunden Consultancy Limited (registered company number 05562089 and registered office at 5 Chapel House, Brays Lane, Hyde Heath, Buckinghamshire HP6 5SN), a Wind Turbine construction consultancy
Co-op or Co-operative -	Drumlin Wind
Co-operative Action -	Co-operative Action Foundation, a charitable company limited by guarantee with charity registration number 1098718, is supported by donations from UK retail Co-operative Societies such as Scottish Co-operative Ltd and assists the development of new forms of co-operative and mutual enterprise
Development Costs -	The costs of developing the Co-op, for which Energy4All, Energy Prospects and NRG Solutions will be reimbursed by Drumlin Wind
Directors -	The directors of Drumlin Wind
Drumlin Wind -	Drumlin Wind Energy Co-operative Ltd: Principal Office: 54 Elmwood Avenue, Belfast BT9 6AZ (registered as an industrial and provident society in Northern Ireland with registration number IP 000398)
EIS -	the Enterprise Investment Scheme, a tax relief scheme under which HM Revenue and Customs provides certain tax reliefs for qualifying investments in certain trading companies, such as Drumlin Wind
Energy4All -	Energy4All Limited (registered company number 4545379 and registered office at Trinity Enterprise Centre, Furness Business Park, Barrow-in-Furness, LA14 2PN), a not for profit company established by Baywind to promote, advise and manage co-operative and other community-related renewable energy projects in the UK
Energy Prospects -	Energy Prospects Co-operative Limited, (registered industrial and provident society number 30879R), a co-op established by Energy4All to support community projects in the development and planning process
Environmental Attributes -	In addition to electricity, a wind farm will generate Environmental Attributes (such as ROCs and Levy Exemption Certificates) which have a commercial market value
Financial Projections -	the financial projections comprising the projected income and expenditure and returns to Members of Drumlin Wind for the twenty years ending 2033 and the assumptions on which they are based, as set out on page 14
Garrad Hassan -	Garrad Hassan & Partners Limited (registered company number 01878456 and registered office at Saint Vincents Works, Silverthorne Lane, Bristol BS2 0QD), an internationally recognized wind speed consultancy

G L O S S A R Y

Minimum Capital Sum -	£1,500,000, which is the minimum amount required for Drumlin Wind to proceed with the Project
Maximum Capital Sum -	£3,400,000, which is the maximum amount Drumlin Wind is seeking to raise for the Project
Members -	Members of Drumlin Wind
MW (megawatt) -	A unit that measures power and is equal to 1 million watts
MWh (megawatt hour) -	A unit that measures energy and is equal to the energy that can provide the power of 1 MW for the period of one hour
NRG Solutions -	NRG Wind Solutions Limited (registered company number NI602966 and registered office at 54 Elmwood Avenue, Belfast BT9 6AZ), a renewable project management consultancy
Offer -	The Offer of Shares in Drumlin Wind contained in this Offer Document
Offer Costs -	The expenses incurred by or on behalf of Drumlin Wind in issuing this Offer Document
Offer Date -	The publication date of this Offer Document
Offer Document -	This formal financial promotion document setting out the Offer
Offer Period -	The period for which the Offer will remain open (including any extension) as set out in the timetable on Page 25
P50 -	The figure for energy production which has a 50% chance of being exceeded when averaged over a 10 year period
Power NI -	Power NI Energy Ltd trading as Power NI (registered company number NI27394 and registered office at Greenwood House, 64 Newforge Lane, Belfast, BT9 5NF)
Project -	The construction and operation of up to five single Wind Turbine Sites in Northern Ireland as set out in this Offer
Project Co-operative -	The six Energy4All promoted operating community wind farm projects of: Westmill, Fenland and four co-operatives with stakes in commercial projects: Boyndie Wind Farm Co-operative Ltd; Isle of Skye Renewables Co-operative Ltd; Kilbraur Wind Energy Co-operative Ltd; and Great Glen Energy Co-operative Ltd.
Risk Factors -	The risk factors in relation to an investment in Shares which are set out at Page 13
RO -	The Renewable Obligation placed by the Government on electricity supply companies to provide an increasing percentage of electricity from renewable sources
ROC -	A Renewable Obligation Certificate issued for the generation of 1 MWh of electricity from a renewable source, which is effectively a payment made by the electricity industry to a generator which generates renewable electricity, such as from wind
Rules -	The Rules of Drumlin Wind, a copy of which accompanies this Offer Document
Shares -	Ordinary shares of £1 in Drumlin Wind, offered at par on the Terms and Conditions and payable in full on application under this Offer Document
Secretary -	The secretary of Drumlin Wind, who has the responsibilities set out in the Rules
Site -	One of the five Sites in Northern Ireland available to Drumlin Wind for the Project
Terms and Conditions -	The terms and conditions of the Offer contained in this Offer Document
Westmill -	Westmill Wind Farm Co-operative Limited, (registered industrial and provident society number 29816R), a co-operative wind farm established by Energy4All
Wind Turbine -	A modern wind mill that harnesses the power of the wind to produce electricity for distribution into the electricity network
WTN -	Wind Technik Nord



rules

RULES OF DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

Registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 ("the Act")

1. NAME

The name of the Society (referred to in these Rules as "the Co-operative") shall be Drumlin Wind Energy Co-operative Limited.

2. OBJECTS

The objects of the Co-operative shall be to carry on as a bona fide co-operative, for the benefit of its members, the business of:-

- 2.1 the development, installation, management, operation, generation, transmission and provision of the supply of energy from renewable energy sources;
- 2.2 the conservation of energy through advice on energy efficiency including energy efficient products and the supply of energy efficient products and such other activities of a general commercial company as the members shall agree by amendment to these Rules from time to time; and
- 2.3 the promotion of awareness of environmental and related issues and support for educational initiatives related to renewable energy.

3. POWERS

The Co-operative shall have full power to do all things necessary or expedient for the fulfilment of its objects and in particular:

- 3.1 to invest (without limitation of those powers) any part of the funds of the Co-operative by the authority of the board of directors of the Co-operative ("the Board") in any investment permitted by and in accordance with the Act, including the granting of loans to and/or the acquisition or disposal of any assets or shares in any society registered under the Act or any company registered under the Companies Act from time in force involved in renewable energy;
- 3.2 to issue ordinary shares of the Co-operative on such terms as the Board shall think appropriate; and
- 3.3 to make gifts and donations to energy conservation and environmental initiatives and to support the local community whether charitable or otherwise.

4. REGISTERED OFFICE

The Registered Office of the Co-operative shall be at 54 Elmwood Avenue, Belfast BT9 6AZ. Notice of any change in the situation of the Registered Office shall be sent to the Registrar and members.

5. MEMBERSHIP

- 5.1 The first members of the Co-operative shall be the signatories to the application (the "Founder Members"). The Board, at its sole discretion, may admit to membership any person or body corporate who or which is an electricity consumer (or the spouse or partner or relative of such person or associated with such body corporate) and who or which has agreed to pay to the Co-operative any subscription or other sum due in respect of such membership. Members must be 18 years or older. A member may hold shares on behalf of somebody who is under 18 but those shares shall be treated as belonging to the member and not the child for the purposes of assessing the member's total shareholding and whether it exceeds the maximum shareholding permitted by law. Following the child's 18th birthday that child may become a member of the Co-operative and the shares held for them may be transferred to them.
- 5.2 Applications for membership shall be in such form as the Board may from time to time direct and shall contain an application, in the approved form, to the Co-operative for at least one share in the Co-operative.
- 5.3 The Board may from time to time establish schemes to permit applicants for membership to save monies to purchase shares in the Co-operative.
- 5.4 The Co-operative shall keep at its registered office a register of members in which the secretary of the Co-operative ("the Secretary") shall enter the following particulars:-
 - (a) the names, address and email address if applicable of each member;
 - (b) a statement of the number of shares held by each member, and the amount paid up on such shares;
 - (c) a statement of other property in the Co-operative, whether in loans or otherwise, held by each member; and
 - (d) the date on which each member's name was entered in the register as a member and the date on which any member ceased to be a member.
 - (e) the names and addresses of the Directors and officers of the Co-operative, and the offices held by them respectively, and the dates on which they assumed and vacated office.
- 5.5 Any member changing her/his/its postal or email address shall notify the Secretary in writing or by email within twenty-one days.

6. CESSATION OF MEMBERSHIP

- 6.1 A member shall cease to be a member if she/he or it:
 - (a) dies; or
 - (b) becomes bankrupt or is wound up or becomes insolvent; or
 - (c) ceases to qualify for membership under the provisions of these Rules; or

- (d) resigns in writing to the Secretary; or
 - (e) transfers all her/his/its shares to another member or a new member in accordance with Rule 16; or
 - (f) ceases to hold any shares in the Co-operative
 - (g) is expelled from membership in accordance with Rule 6.6.
- 6.2 When membership ceases under condition (a) above, the provisions of Rule 22 shall be applied.
- 6.3 When membership ceases under condition (b) above, the Board shall in its absolute discretion permit the transfer of the shares to any other member of the Co-operative who is willing to purchase such shares under Rule 16.
In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the former member or the current legal owner of the shares, as appropriate.
- 6.4 When membership ceases under conditions (c), or (d) above, the Board shall in its absolute discretion permit the transfer of shares to any other member of the Co-operative who is willing to purchase such shares under Rule 16.
In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the former member.
- 6.5 When membership ceases under Rule 6.1 the member shall be removed from the Register of Members.
- 6.6 A member may be expelled for conduct prejudicial to the Co-operative by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of the Co-operative, provided that due notice of the conduct alleged against her/him/it has been given and that the member whose expulsion is to be considered has been given the opportunity to state her/his/its case to the meeting. If on due notice having been served the member fails to attend the meeting, the Board may proceed in the member's absence. When membership ceases in these circumstances (condition (g) above) the Board may at their absolute discretion pay to the expelled member any amount not exceeding the nominal value of the shares surrendered.
- 6.7 No member expelled from membership shall be re-admitted except by a resolution carried by a majority of at least two-thirds of those members voting at a General Meeting of which due notice has been given.
- 6.8 A member need not disclose any conflict of interest and may vote, speak at and participate in any meeting of members notwithstanding any conflict of interest.
- 6.9 If the Co-operative has been unable to contact a member for a period of seven years (having made reasonable efforts to do so) due to a member's change of address, name, or any other circumstance, the Board may at its discretion terminate the membership of such member and either cancel the shares held by that member (applying any unclaimed monies for the purposes of the Co-operative) or transfer the shares held by that member to any other member or members of the Co-operative.

7. GENERAL MEETINGS

- 7.1 An Annual General Meeting shall be held within seven months of the close of the financial year of the Co-operative, the business of which shall include, inter alia, without limitation:-
- (a) the receipt of the accounts and balance sheet and of the reports of the Board and the auditor;
 - (b) the appointment of an auditor (subject to Rule 20);
 - (c) the election of any Director to the Board (or the announcement of the results of the election if held previously by ballot); and
 - (d) the decision on the application of surplus funds in accordance with Rule 24.
- 7.2 All General Meetings other than the Annual General Meeting shall be called Special General Meetings.
- 7.3 A Special General Meeting shall be convened by order of the Board or at the request of ten per cent or more of the membership.
- 7.4 An Annual General Meeting or Special General Meeting of members of the Co-operative shall be called giving all members not less than fourteen clear days notice in writing posted or emailed to every member recorded in the register of members, specifying whether the meeting is an Annual or Special General Meeting and stating the date, time and place at which the meeting is to be held. The notice shall contain details of the business which is to be transacted, and no business may be transacted at a General Meeting other than that specified in the notices calling it.
- 7.5 A notice sent by post to a members' registered address or a notice sent by email to a members' registered email address shall be deemed to have been duly served 48 hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any member shall not invalidate the proceedings at the meeting.

8. PROCEEDINGS AT GENERAL MEETING

- 8.1 Any member which is a body corporate may by a resolution of its governing body appoint a representative to act on its behalf and vote at any meeting of the Co-operative. A copy of the resolution executed by an authorised person of the body corporate shall be deposited with the Secretary.
- 8.2 Every member present at a General Meeting shall have one vote only on each question to be decided, and questions shall be resolved by a simple majority of votes, unless the matter has been submitted to a postal or electronic ballot under Rule 8.9, in which case the aggregate of the postal and electronic votes and votes of members present shall determine the vote. In the event of a tie, the Chairperson shall have a casting vote. Proxy voting shall be permitted at the sole discretion of the Board.
- 8.3 No business shall be transacted at a General Meeting unless a quorum is present in person or by proxy (if permitted). Unless and until otherwise decided by the Co-operative in General Meetings a quorum shall be twelve members of the Co-operative or if less, one third of the membership.
- 8.4 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned until the same day in the next week at the same time and same place or otherwise as the Board may direct, and all members shall be given such notice of the adjourned meeting as is practicable. The members present at a meeting so adjourned shall constitute a quorum,

- 8.5 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands. A declaration by the Chairperson that a resolution has on the show of hands been carried or lost with an entry to that effect in the book containing the minutes of the proceedings of the Co-operative shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
- 8.6 The Chairperson of the Co-operative shall preside at every General Meeting. In the event of her/his absence or unwillingness to act, one of the other Directors present shall chair the meeting, in the event of none of the other Directors being present or being willing to act, the members present shall choose one of their number to be Chairperson of the meeting.
- 8.7 The Chairperson may with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for 21 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting; otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 8.8 The Co-operative, by resolution of the Board or of the members at a General Meeting, may choose to submit any or all votes at any meetings on the election or re-election of Directors and any other business to be transacted at a General Meeting to a postal or electronic ballot.
- 8.9 Any notice of postal or electronic ballot shall:
- (a) state the purpose of the ballot, the closing date and time of the ballot;
 - (b) be sent to each eligible member by post or email at his or her registered address;
 - (c) be accompanied by a voting paper which in the case of an election or re-election of Directors shall state the number of Directors to be elected and re-elected and contain a list of the eligible candidates (distinguishing between retiring Directors and other candidates);
 - (d) be accompanied in the case of an election or re-election of Directors by any election address of not more than 500 words; and
 - (e) be sent so as to reach eligible members not less than fourteen clear days before the closing date of the ballot.

9. AMENDMENT TO RULES

- 9.1 Any of these Rules may be rescinded or amended, or a new Rule made, by a vote of a simple majority of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal or by electronic votes cast, if a postal or electronic ballot has been approved for the resolution of this question of which fourteen clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting.
- 9.2 No amendment of these Rules is valid until it is registered by the Registrar. When submitting the rule amendments for registration the Secretary may at their sole discretion accept any alterations required or suggested by such Authority without reference back to a further General Meeting of the Co-operative.

10. MERGERS WITH OTHER CO-OPERATIVES

Subject to the Act, the Co-operative shall, with the agreement of three quarters of the members of the Co-operative voting at a General Meeting whether present in person or by proxy or by postal or electronic votes cast, if a postal or electronic ballot has been approved for the resolution of this question of which fourteen clear days' notice has been given, such notice to include details of the change(s) to be made at that General Meeting, have the power to accept the transfer of engagements from, or amalgamate with any other co-operative having similar objects registered under the Act.

11. THE BOARD OF DIRECTORS

- 11.1 The governance of the Co-operative shall be vested in the Board. Subject to the provisions of these Rules, the directors of the Co-operative ("the Directors") may regulate their proceedings as they see fit.
- 11.2 The Board shall comprise:
- (a) not less than three but no more than seven Directors. A Director must be a member of the Co-operative. The initial Directors of the Co-operative from incorporation until the second Annual General Meeting shall be appointed by the Founder Members.
 - (b) only members of the Co-operative aged eighteen years or over shall be eligible to be elected as a Director. Subject as aforesaid, the Directors may appoint a person who is willing to act to be a Director.
 - (c) at its discretion, the Board may appoint up to two additional Directors to represent a named member (being a body corporate, co-operative, or other institution) where in the Board's reasonable opinion such member can provide a significant benefit to the Co-operative. If Energy4All Ltd (a company incorporated in England with company number 4545379), or another organisation with comparable expertise, is the contracted manager (subsequently referred to in this Rule as the "Contracted Manager") of the Co-operative, and also a member of the Co-operative, the Contracted Manager shall have the right (the Board not having any discretion in this case) to appoint a person (if the Contracted Manager so wishes) to fill one of these two positions. The Contracted Manager may also by written notice to the Co-operative remove any person so appointed and if it so chooses appoint someone else in his place. Any Director so appointed shall not be required to retire by rotation in accordance with Rule 11.3, but shall be considered for re-appointment or substitution every two years in consultation with the named member. This Rule cannot be changed without the consent of the Contracted Manager.
 - (d) NRG Wind Solutions Ltd (a company incorporated in Northern Ireland with company number: NI602966) (subsequently referred to in this Rule as the "Appointor") shall have the right at any time whilst the Co-operative is the tenant or occupant of any land owned by or leased to the Appointor or has the benefit of an option to enter into such a tenancy or right of occupancy (the Board not having any discretion in this case) to appoint one person to the Board of the Co-operative by written notice to the Co-operative. The Appointor may also by written notice to the Co-operative remove any person so appointed and if it so chooses appoint someone else in his place. Any Director so appointed shall not be required to retire by rotation in accordance with Rule 11.3, but shall be considered for re-appointment or substitution every two years in consultation with the named member. This rule cannot be changed without the consent of the Appointor.

- 11.3 The Board shall be elected each year at the Annual General Meeting in the following manner:
- (a) at the second Annual General Meeting and every subsequent Annual General Meeting one third of the Directors shall retire by rotation or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office. A retiring Director shall be eligible for re-election. Co-opted Directors shall retire at the Annual General Meeting following their appointment and shall be eligible for re-election except that no director shall retire under this Rule until the second Annual General Meeting;
 - (b) Directors shall be elected in accordance with such procedures including by authenticated electronic means and postal ballot, as may be adopted by the Co-operative from time to time, provided that only members of the Co-operative and representatives of organisations which are members may stand for election to, or nominate persons to stand for election to the Board. The Secretary shall act as returning officer for all elections and shall settle any disputes at their sole discretion.
 - (c) the Directors who retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot; and
 - (d) the re-appointment of a Director shall be put to a vote at the Annual General Meeting.
 - (e) the Board, at its discretion, may make a proposal to any future Annual General Meeting of the Co-operative that (within the provisions of Rule 11) any vacancies on the Board should not be filled at that meeting, if the Board considers that it already has sufficient Directors to discharge its responsibilities effectively.
- 11.4 The Board may at any time co-opt any member of the Co-operative aged eighteen years or over to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Board be co-opted members. For this purpose Directors appointed under Rule 11.2c shall not be treated as co-opted Directors. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
- 11.5 The remuneration of Directors shall be decided by the Board within guidelines determined from time to time by the Co-operative. Directors may be paid all reasonable and proper expenses incurred by them in attending and returning from meetings of the Board or General Meetings of the Co-operative or in connection with the business of the Co-operative.
- 11.6 In the event that the size of the Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Co-operative, but for no other purpose.
- 11.7 Subject to Rule 12.1, a Director shall disclose to the Board the nature and extent of any material interest of her/his in any transaction or arrangement being considered by the Board and shall then not participate in the consideration and discussion of and vote on the matter in which she/he has an interest and shall not be counted in the quorum.
- 11.8 Provided that a Director has disclosed to the Board the nature and extent of any material interest of her/his and has complied with the terms of Rule 11.7, a Director, notwithstanding her/his office may be a party to or otherwise interested in any transaction or arrangement with the Co-operative or in which the Co-operative is otherwise interested; and in that event that Director shall not by reason of her/his office be accountable to the Co-operative for any benefit which she/he derives from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 11.9 For the purposes of Rule 11.7:
- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of hers/his;
 - (c) holding an interest in any shares of the Co-operative directly or indirectly shall not be treated as an interest of a Director; and
 - (d) being a member of or a director of a co-operative which is a member of Energy4All Limited shall not be treated as an interest of a Director in relation to the consideration by the Board of a transaction or arrangement with Energy4All Limited;
 - (e) any Director appointed by Energy4All Limited pursuant to Rule 11.2c may participate in the consideration and discussion of, be counted in the quorum and vote on transactions and arrangements which the Co-operative considers pursuant to or in relation to any contract between the Co-operative and Energy4All Limited, but shall not participate, be counted in the quorum or vote on any consideration of the terms of such contracts or on the quality of their performance or in relation to any actual or potential dispute between the Co-operative and Energy4All Limited or on whether any such contracts should be terminated.
- 11.10 A Director can be removed from office if she/he is found guilty of conduct detrimental to the interest of the Co-operative and the Board considers that it is not in the best interests of the Co-operative for them to continue as a Director. The Board shall consider the matter having taken such steps as it considers appropriate to ensure that any relevant Director's point of view is heard and may either:
- (a) dismiss the matter and take no further action; or
 - (b) arrange for a resolution to remove the Director complained of to be proposed in accordance with Rule 11.11 (c).
- 11.11 The office of Director shall be immediately vacated if she/he:
- (a) resigns her/his office in writing or by electronic communication to the Secretary; or
 - (b) ceases to be a member of the Co-operative for any reason whatsoever (or is the representative of a corporate body which ceases to be a member); or
 - (c) is removed from office by a majority vote of the Co-operative at a General Meeting, the notices for which specified that the question of the Director's removal was to be considered; or

- (d) is absent from three successive meetings of the Board during a continuous period of twelve months without special leave of absence from the Board and they decide that she/he has by reason of such absence vacated office; or
- (e) becomes bankrupt or, in the opinion of a majority of the Board, incapable on medical or psychological grounds of carrying out the functions of a Director.

12. POWERS OF THE BOARD OF DIRECTORS

- 12.1 The Board may authorise any loan to or other transaction with another society registered under the Act if that society is a member of Energy4All Limited, notwithstanding that any member of the Board is a member of such society, in which case such member of the Board shall disclose to the other Board members present at the meeting of the Board which is considering the matter that she/he is such a member but shall then be entitled to participate in the Board discussion thereon and vote on any decision as to whether to make such a loan or enter into such a transaction and the terms of it.
- 12.2 The Board shall appoint and have the power to remove a Chairperson, who under their direction shall also preside at all General Meetings. In the case of an equality of votes, the Chairperson shall have a second or casting vote.
- 12.3 The Board shall appoint and have the power to remove a Secretary, who shall under their direction keep minutes of all Board Meetings and of all General Meetings.
- 12.4 The Board may appoint and have the power to remove a Treasurer, who shall under their direction keep proper accounts of the Co-operative's financial affairs.
- 12.5 The Board may appoint and have the power to remove (subject to compliance with any contractual arrangements which may be in place) a manager or organisation ("the Manager") to whom they may delegate the day-to-day management of the Co-operative.
- 12.6 The Board shall also have the power to appoint and to remove other employees of the Co-operative as may be required to further its objectives.
- 12.7 The Board may exercise any powers (including its borrowing powers) which may be exercised by the Co-operative, other than those that must by these Rules or by statute be exercised by a General Meeting.
- 12.8 The Board may delegate any of their powers to any committee consisting of two or more Directors. Any such delegation may be subject to any conditions the Board may impose.
- 12.9 The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Co-operative for such purpose and on such conditions as they may determine.

13. PROCEEDINGS AT BOARD MEETINGS

- 13.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Meetings of the Board may also be held via telephone or other electronic means; provided that all Board members wishing to participate by such means are able to do so and are able to communicate with each other at all times.
- 13.2 The quorum necessary for the transaction of businesses at a meeting of the Board shall be three.
- 13.3 A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board by giving reasonable notice. Such notice shall include the date, time and place at which the meeting is to be held and the business which it is intended to transact at that meeting. Prior to calling such a meeting, any director wishing to do so shall take all reasonable steps to ensure that so far as is practicable the proposed arrangements for such meeting are convenient for the other directors of the co-operative.
- 13.4 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors.
- 13.5 At every Board meeting the Chairperson shall preside, but in the event of her/his absence or unwillingness to act the members present shall choose one of their number to be Chairperson of the meeting.
- 13.6 The Board shall cause proper minutes to be made of all the proceedings of the Co-operative, of the Board and of any sub-committees. All such minutes shall be open to inspection by any member of the Board at all reasonable times.

14. MANAGER

- 14.1 The Manager appointed by the Board in accordance with Rule 12.5:-
 - (a) shall be responsible for the day to day management of the Co-operative;
 - (b) shall attend meetings of the Board for the sole purpose of accounting to the Board or shall supply reports to the Board for the same purpose;
 - (c) shall have any other powers delegated to her or him by the Board.
- 14.2 The Manager's remuneration shall be determined by the Board in agreement with the Manager and shall be subject to the terms of any existing contractual agreement with the Manager.

15. SHARE CAPITAL

- 15.1 The shares of the Co-operative shall be par shares of the nominal value of £1.00. Each member shall hold at least the minimum level of shareholding set by the Board from time to time and no member may hold more than the maximum shareholding permitted by law. Shares shall normally be paid for in full on allotment, but the Board may at its discretion permit a member to defer payment.
- 15.2 Shares will be withdrawable and transferable only in accordance with the provisions of these Rules.

16. TRANSFERENCE OF SHARE CAPITAL

16.1 A member may apply at any time that some or all of her/his/its shares shall be transferred to another person. The member shall pay any costs incurred by the Co-operative in relation to such transfer which may be deducted by the Co-operative from any proceeds payable to the transferring member. No transfer shall be valid unless the consent of the Board has first been obtained. The Secretary shall record every transfer by making appropriate entries in the register of members and no transfer shall be deemed to have taken effect until such entries are made. The Board shall not consent to the transfer of any share to a person who:-

- (a) is not a member, unless that person is qualified to be a member under Rule 5; or
- (b) is a member holding the maximum value of shares permitted by the Act.

16.2 Any application to transfer shares must:-

- (a) give details of the shares to be transferred;
- (b) be signed by the transferor; and
- (c) be signed by the transferee to the effect that they accept the conditions attached to the shares to be transferred.

17. WITHDRAWALS OF SHARE CAPITAL

17.1 Members do not have the right to withdraw share capital but the Board of the Co-operative has the power to permit shares in the Co-operative to be withdrawn by agreement between the Board and the member holding those shares in accordance with any procedures and other conditions the Board may announce. If the Board does permit shares to be withdrawn then the amount to be paid to the member who is withdrawing shares shall be the amount subscribed for the shares so withdrawn, less any costs incurred by the Co-operative in relation to that withdrawal.

17.2 Renewable energy co-operatives require a large amount of initial capital to build a renewable energy project but once the project has been operating for several years the effect of the depreciation charge may result in the co-operative holding cash and capital in excess of its needs. This rule 17.2 enables the co-operative to return this excess capital to its members in the proportions in which they provided it. This rule does not deal with the distribution of profit which is dealt with under rule 24.

The Board may resolve to require any proportion (the "Proportion") of its share capital to be withdrawn on the terms of this Rule 17.2, in which case it shall treat as agreed to be withdrawn on behalf of every member (and not some only) that Proportion of the shares held by them (with such rounding to the nearest whole number of that Proportion which is a fraction as the Board may determine). The amount to be paid per share withdrawn pursuant to this Rule 17.2 shall be the amount subscribed for the shares so withdrawn. All members are deemed to give any consents required to the withdrawal of their shares in the manner provided for in this Rule 17.2.

18. LIEN ON SHARES

The Co-operative shall have a lien on the shares of a member for any debt due to it by the member and may set off any sum standing to the member's credit including any loan money, interest and dividends in or towards the payment of such debt.

19. BORROWINGS

The Co-operative shall have power to:

- 19.1 borrow and to guarantee or become liable for the payment of money, or for the performance of any obligation, to issue loan stock, debentures or other securities and to secure such payment or performance by the mortgage or charge of any or all of its property or assets provided that:-
 - (a) the amount outstanding does not exceed £20 million;
 - (b) the Co-operative shall not carry on a deposit taking business within the meaning of the Financial Services and Markets Act 2000 but may accept deposits subject to the limits provided for in the Act; and
 - (c) the interest payable on borrowings, other than from institutions authorised under the Banking Acts, shall not exceed the rate of interest believed by the Board to be reasonably necessary to obtain and retain borrowings required to carry out the business of the Co-operative.
- 19.2 receive gifts and donations towards its objects; and
- 19.3 receive interest free loans towards its objects subject to the limit in Rule 19.1(a).

20. AUDIT

- 20.1 Where required by law, the Co-operative shall appoint in each financial year an auditor qualified under Section 41 of the Industrial and Provident Societies Act (Northern Ireland) 1969 to audit the accounts and balance sheet of the Co-operative for that year. Where an audit is not required by law an audit may be required by the Board or by members if more than 10% of the members of the Co-operative so elect. The option to continue the audit exemption where applicable will be put before members at the Annual General Meeting.
- 20.2 The Co-operative's auditor shall have the rights as to notice of, and attendance and audience at General Meetings, access to books and the supply of information as are prescribed by that Act.
- 20.3 The re-appointment of, or the appointment of an auditor in place of, an auditor appointed to audit the accounts of the Co-operative for an immediately preceding year shall be carried out in accordance with Sections 39 and 40 of the said Act.
- 20.4 None of the following persons shall be appointed as auditor of the Co-operative:
 - an officer or employee of the Co-operative;
 - a person who is a partner or employee of or who employs an officer of the Co-operative.

21. ANNUAL RETURN

21.1 Every year, the Secretary shall send to the Registrar in the form and in the period prescribed, by such authority, the annual return relating to affairs of the Co-operative for the last accounting year, together with:-

- (a) a copy of the report (if any) of the auditor on the Co-operative's accounts for the period included in the return; and
- (b) a copy of every balance sheet drawn up during that period and of the report (if any) of the auditor thereon.
- 21.2 The Co-operative shall on demand supply free of charge to any member a copy of the latest annual return together with a copy of the auditor's report on the accounts and balance sheet contained in the return.

22. PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

- 22.1 Upon a claim to that effect being made by the personal representative of a deceased member or the trustee in bankruptcy of a bankrupt member the Co-operative shall transfer the shares of the deceased member or bankrupt member into the name of the personal representative or trustee in bankruptcy.
- 22.2 The personal representative of a deceased member or the trustee of a bankrupt member may (whether or not the shares are registered in their name, after providing such proof of effective appointment as the Board may reasonably require) apply for the transfer of the shares to any other person, whether on transmission under the terms applicable to the estate or on a sale, who is qualified to be a member under Rule 5.1.
- In that case the proceeds, less any costs incurred by the Co-operative, shall be credited to the former member.
- 22.3 A member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Co-operative at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. The person entitled under the nomination may retain the shares in their name (if they are entitled to be a member) or apply to transfer them under the terms of Rule 22.2 in which case the proceeds, less any costs incurred by the Co-operative, shall be credited to the person so nominated.
- 22.4 Rule 22.3 is subject to the Board receiving a satisfactory proof of death of a member who has made a nomination and satisfactory proof of such nomination.

23. SEAL

If the Board of the Co-operative resolves to have a seal then the seal shall be kept in the custody of the Secretary and used only by the authority of the Board. Sealing shall be attested by the signature of two Directors or of one Director and the Secretary for the time being. If the Co-operative does not have a seal, a document which would have previously required to be sealed, should be signed by a Director and Secretary or two Directors and accompanied by a written statement that the document had been executed by the Co-operative as if under common seal.

24. APPLICATION OF PROFITS

- 24.1 The profits of the Co-operative shall be applied as follows and in such proportions and in such manner as may be decided by the Co-operative at the Annual General Meeting:-
- (a) firstly, to a general reserve for the continuation and development of the Co-operative and the furtherance of its objectives;
- (b) secondly, in paying a dividend and/or share interest to its members; and
- (c) thirdly, in making payments for social or charitable purposes which are in accord with the Objects of the Co-operative and within the community served by the Co-operative
- 24.2 The Board shall have the power to pay interim dividends without the approval of a General Meeting.

25. DISSOLUTION

- 25.1 The Co-operative may at any time be dissolved with the consent of three-quarters of the members, testified by their signatures, or in the case of bodies corporate testified by the signature of any of their officers acting under their authority to an instrument of dissolution in the form prescribed by the Act; or by winding up in the manner provided by the Act.
- 25.2 On the dissolution or winding up of the Co-operative, after the satisfaction of all its debts and liabilities, the assets remaining may be distributed amongst the members of the Co-operative at the time of dissolution in proportion to their shareholdings.

26. DISPUTES

Any dispute of the kind referred to in Section 69 of the Act shall proceed in accordance with the provision of that Act.

27. INTERPRETATIONS

In these Rules "the Act" refers to the Industrial and Provident Societies Act (Northern Ireland) 1969 or any Act or Acts amending or in substitution for it for the time being in force.

"The Registrar" shall mean the Registrar of Credit Unions & Industrial & Provident Societies or such other authority as may from time to time exercise the powers vested in the Registrar of Credit Unions & Industrial & Provident Societies under the Act at the date of adoption of these Rules.

"Electronic means" shall include email, video links and secure authenticated web-site transactions;

In these Rules the expression "Board meeting" or "meeting of the Board" includes, except where inconsistent with any legal obligation:

"Copy" includes an electronic copy;

"Writing" includes an electronic document.

- a physical meeting;
- a meeting held by electronic means;
- a meeting held by telephone.

guidance notes

for completion of Application Form for Shares in Drumlin Wind

Applying for Shares

The Offer is open to individuals, industrial and provident societies and other organisations which are electricity consumers or are the spouse, partner or relative of an electricity consumer. It is only possible to purchase Shares in Drumlin Wind by completing the Application Form on Page 37. These notes are designed to help you. Before completing the Application Form you should consider taking appropriate financial and other advice, particularly in relation to any aspect of the Offer Document which is not clear to you.

Your attention is particularly drawn to

- * The Risk Factors on Page 9 which describe risks relating to an investment in the Shares.
- * Specific Terms and Conditions of the Offer set out on Page 24 because by completing the Application Form you will make an irrevocable promise to invest in Shares which may be accepted by Drumlin Wind.
- * The Rules of Drumlin Wind set out on Page 29-35 in this Offer Document because in buying Shares you will become a Member of Drumlin Wind and bound by those Rules.

Amount to invest:

The price of each Share is £1. You should decide how many Shares you want to buy and put that number in the box. The minimum number (for ease of administration) is 250. The maximum is 20,000 (except for investment by other industrial and provident societies).

Annual interest payments (and any dividends, though no dividends are currently expected) will be based on the number of Shares you hold, but you will only have one vote, regardless of the number of Shares you hold.

Personal details:

You may apply as an individual, or you are properly authorised, on behalf of an industrial and provident society or other organisation.

Under the Rules children cannot become Members. If you wish to invest as a trustee or nominee on behalf of a child you may need to take advice on any tax implications, and please note that the maximum investment of £20,000 includes any Shares purchased as a nominee for a child. Shares issued in these circumstances could be transferred to a child when he or she becomes 18 and the Board will endeavour to assist with that intention where requested. If you do wish to take the Shares as a nominee or trustee of a child, please indicate that intention as shown.

Priority Application:

The number of Shares you apply for will not necessarily be the number of Shares you will receive. If the Offer is oversubscribed your application may be scaled down, or even rejected in its entirety.

All applications are welcome, but in the event that the Offer is oversubscribed, the Directors will endeavour to give priority in accordance with the following priority categories. To indicate you are entitled to be considered for priority treatment please tick the applicable box:

- First Priority - residents of Northern Ireland
- Second priority – directors, employees and associates of Drumlin Wind, Energy4All and members of Energy Prospects

Declaration:

In signing the Application Form, as an individual, you are personally making an irrevocable and enforceable promise to invest in Shares in Drumlin Wind. If you are signing on behalf of an organisation or on behalf of another adult individual, you are personally representing that you have been expressly authorised to do so.

Non-UK residents must take responsibility for ensuring that there are no laws or regulations in their own country that would prevent them from investing in or receiving income from a UK co-operative.

Under money laundering regulations, you may be required to produce satisfactory evidence of your identity and it is a condition of the Offer that you do so as requested.

You should note that if the Offer is unsuccessful (because the Minimum Capital Sum is not raised or the Directors otherwise decide to withdraw the Offer), it will become necessary to return money to investors. In such circumstances all monies will be returned to investors.

Payment:

Please attach a cheque or banker's draft, drawn on a UK bank or building society, for the exact amount shown in the box under 'Amount to invest'. If there is a discrepancy between the two, or if the cheque is not honoured on presentation, your application may be rejected without further communication.

Alternatively you can pay direct through the banking system into Drumlin Wind bank account. Please quote your surname and date of birth as a reference and pay to Account Number 50136885 Sort Code 08-90-00.

Optional:

It will help with the launch of other co-ops if we can identify the most effective means of communicating with potential investors. We would be grateful, therefore, if you would indicate on the Application Form how you first heard of Drumlin Wind, if you are not already a Member of an existing Energy4All related co-operative.

As a Member you will receive various communications. It will help to reduce paperwork (and CO2 emissions) if we can contact you by email. Please tell us your email address if you are willing to receive such communications.

Thank you for considering an investment in Drumlin Wind.

application form

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED SHARE ISSUE 2012

Important: before completing this Application Form you must:

- Read the accompanying Share Offer of Drumlin Wind Energy Co-operative Limited (“Drumlin Wind Energy Co-op”) (“The Offer Document”)
- Pay special attention to the Risk Factors set out on Page 9 of the Offer Document
- Consider whether you need to take financial advice or other advice in relation to the Terms and Conditions of the Offer contained in the Offer Document
- Read the Rules of Drumlin Wind Energy Co-op on Page 29 in the Appendices to the Offer Document (“the Rules”)

Declaration (if applicable also on behalf of the Applicant organisation)

I confirm my understanding that:

- this Application may be withdrawn if a supplementary Offer Document is issued, but not otherwise, and if and when accepted by Drumlin Wind Energy Co-op, this application forms a contract subject to Northern Ireland law on the Terms and Conditions of the Offer Document
- an Applicant who/which is not UK resident is responsible for ensuring that this Application complies with any laws or regulations applicable outside the UK and Northern Ireland to which he/she/it is subject
- if the Offer is oversubscribed it is possible that an otherwise eligible Application will not be accepted in part or in whole
- if insufficient funds are raised by the Offer, Application Monies will be returned.

I confirm that:

- I have read the Offer Document, including the Risk Factors, the Rules and the Guidance Notes to this Application Form
- I am over 18 and the Applicant meets the Offer eligibility criteria
- Drumlin Wind Energy Co-op is hereby authorised to make such enquiries as are deemed necessary to confirm the eligibility of this Application
- the Applicant is not (unless an industrial and provident society) making an application or multiple applications for a total of more than 20,000 Shares
- the Applicant is not relying on any information or representation in relation to the Shares, Drumlin Wind Energy Co-op, or the proposed Sites which is not included in the Offer Document
- the Applicant shall provide all additional information and documentation requested by Drumlin Wind Energy Co-op in connection with this Application, including in connection with anti-money-laundering, taxation or other regulations
- If signing this Application on behalf of any person/organisation I am doing so with express authority.

SHARE APPLICATION PLEASE USE CAPITALS AND BLACK INK

OFFICE USE ONLY

URN:
BATCH:
INITIAL:

Amount to invest

I wish/my organisation wishes to invest a total amount of £ in Drumlin Wind Energy Co-op on the Terms and Conditions of the Offer Document at the price of £1 per Share. (You must invest at least £250 but (except for industrial and provident societies) not more than £20,000).

Individual Applicant details

Title: Forenames: Surname:
Address: Date of Birth:
Town:
County: Postcode:
E-mail:

Share holder information that is available electronically will be emailed if an email address is provided. If you prefer not to receive information this way please tick here

If Applicant is nominee for a child (noting EIS tax relief page 23 and other tax issues)

Child's name: Child's date of birth:
Child's address (if different from above):
 Postcode:

If Applicant is an Organisation

Organisation name: Registration number:
Organisation address:
 Postcode:
Name of authorised signatory signing below:

Priority Applications (All applications are welcome; claims for priority apply only if the Offer is over-subscribed)

If you believe you are eligible for priority treatment if the Offer is oversubscribed, please tick the box below:

I am a Northern Ireland resident:
I am a member of Energy Prospects Co-operative

Signature (as applicable also on behalf of the Applicant organisation)

I understand that the cheque supporting this application will be presented for payment following receipt and I warrant that it will be paid on first presentation.

Day-time Telephone (for any enquiries in relation to this Application):

Signature Date:

Payment Details

I have paid by bank electronic transfer/Bacs to 'Drumlin Wind Energy Co-op' Sort Code: 08-90-00 Account Number: 50136885 Date BACS payment made:
All electronic payments must include a reference when arranging your payment. Please use 'applicant surname & date of birth'.
 I enclose a cheque or banker's draft crossed A/c Payee to the value indicated above, payable to 'Drumlin Wind Energy Co-op'
Please send your completed application to:
Drumlin Wind Energy Co-op, Unit 26, Trinity Enterprise Centre, Furness Business Park, Barrow in Furness, Cumbria, LA14 2PN

Optional - We would be grateful if you would inform us how you first heard of this Share Offer:

Energy4All	<input type="checkbox"/>	National Press	<input type="checkbox"/>	Business Magazine	<input type="checkbox"/>	Dalriada Festival	<input type="checkbox"/>
Direct Mail	<input type="checkbox"/>	Environmental Magazine	<input type="checkbox"/>	Green Lifestyle Event	<input type="checkbox"/>	Launch Event	<input type="checkbox"/>
Local Press	<input type="checkbox"/>	Radio Advertising	<input type="checkbox"/>	Shopping Centre Roadshow	<input type="checkbox"/>	TV	<input type="checkbox"/>
Other (Please Specify)	<input type="text"/>						

The proposed Wind Turbine sites for Drumlin Wind Energy Co-operative



Photographs courtesy of:
Baywind Energy Co-operative
Falck Renewables plc
Gale Photography



SHARE IN A CLEAN, GREEN FUTURE WITH
DRUMLIN WIND ENERGY CO-OPERATIVE LTD

DRUMLIN WIND ENERGY CO-OPERATIVE LTD
REGISTERED ADDRESS: 54 ELMWOOD AVENUE, BELFAST BT9 6AZ
ADMINISTRATION ADDRESS: UNIT 26 TRINITY ENTERPRISE CENTRE,
FURNESS BUSINESS PARK, BARROW IN FURNESS LA12 2PN
TEL: 01229 821028. EMAIL: info@drumlin.coop Website: www.drumlin.coop