

RHYL FLATS WIND FARM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement by the directors of the company regarding their duty under s172(1) Companies Act 2006 to promote the success of the company.

The Board of Rhyl Flats Wind Farm Limited believe they have acted in the manner most likely to promote the success of the company for the benefit of its members as a whole having a regard to the matters set out in s172(1)(a-f) of the Act.

The following important matters have been directly addressed:

Likely consequence of long term decisions

The company generates profits through the operation and maintenance of an offshore wind farm. As described further in the review of the business below, the directors have continued with this business strategy by approving the operating budget for 2023 and for the following two years. In doing so, the Board has ensured the business can meet the company's cashflow requirements ensuring prompt supplier payments and other liabilities are met as they fall due.

The directors have approved dividends of £33,100,000 having taken into consideration the interest of the company's members as laid out in the shareholders' agreement, the future funding requirements of the business, and the latest forecast revenue and operating costs. Dividends were paid during the year to the company's shareholders pro-rata to their shareholdings (RWE Renewables UK Swindon Limited 50.1%; Greencoat UK Wind Holdco Limited 24.95%; UK Green Investment Rhyl Flats Limited; 24.95%).

Employee engagement

Other than the directors, there are no employees of the company. However, the company carefully considers the health and welfare of onsite contractors with the regular Health and Safety report reviewed at all Board meetings.

Business relationships

When dealing with suppliers, the company follows the code of conduct of its service provider, RWE Renewables UK Swindon Limited and expects business partners to accept the principles set out in that code. Private interests should remain separate to those of the company and no representative should solicit or accept monetary benefits from third parties.

The health and safety of contractors on the company's sites is vitally important. Contractors working on wind farm sites are therefore expected to sign up to and follow the service provider's HSE Requirements. The Board regularly reviews Health and Safety reporting during the company Board meetings and takes action as required.

The company supports suppliers by paying promptly in line with the terms agreed between the parties.

The company strictly follows power purchase agreements for the sale of its electrical output as agreed with its customer, RWE Renewables UK Swindon Limited and thereby maintains good business relations.

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Community and the environment

During the year, the company contributed £158,280 to local community funds. Community funds are set up to contribute to the area local to the company's renewable energy projects and take the form of an annual fund, which is available in each year of the operational lifetime of a project. The use of the community funds is dictated by the Denbighshire Coastal Partnership and Community and Voluntary Support Conway. Both organisations use the funds to support a wide range of projects such as building and maintaining community buildings, electric vehicles for community transport schemes, education and training to help people back into employment and to set up small businesses and social projects, for example friendship groups, bereavement counselling and projects that support the homeless.

The company is dedicated to generating electricity using sustainable energy resources. As part of this project, the company has worked with local authorities to ensure adequate and appropriate wildlife conservation steps are in place to promote and protect the local ecology.

Maintaining high business standards

The Board is aware of their social role and responsibility towards RWE Renewables UK Swindon Limited, business partners, shareholders and the wider stakeholder community. The company follows the RWE Code of Conduct, which provides clear principles on how the company conducts its business and social activities. The company is committed to conducting business with integrity, being respectful to others and the environment, and in compliance with the law.

Act fairly between members

The directors have implemented and follow a comprehensive shareholders' agreement that details how the company acts fairly in the interest of all its members. Investors are kept informed through regular management reporting and representation at Board meetings as entitled under the shareholders' agreement.

In addition, there is a management services deed in place that dictates how the service provider, RWE Renewables UK Swindon Limited, provides services to the company. This agreement is strictly followed in order to avoid conflicts of interest.

On behalf of the board



C Rees

Director

2 May 2024