

Renewable Energy Systems Holdings Limited

Minutes of a meeting of the board of directors of Renewable Energy Systems Limited
(Company Number: 04913497) (the **Company**) duly convened and held
at Beaufort Court, Egg Farm Lane, Kings Langley, Herts, WD4 8LR
on *25th January 2019* at *11.30* a.m./p.m.

Present: Ivor Catto (Chair)
Chris Marsh

In Attendance: Alex Kirk
Rachael Birkwood
Richard Russell
Dominic Hearth



1 Opening

- 1.1 It was noted that proper notice of the meeting had been given, that the meeting had been properly convened and that a quorum was present in accordance with the articles of association of the Company (the **Articles**). Accordingly, the Chair declared the meeting open.

2 Business of the Meeting

- 2.1 It was noted that the Company is the direct parent undertaking (and sole member) of Renewable Energy Systems Limited (Company No. 01589961) (**RES Ltd**) and thereby the indirect parent undertaking of each of RES UK & Ireland Limited (Company No. 04913493) (**RUKI**) and Renewable Energy Centre Limited (Company No. 03136058) (**REC**, and together with RUKI, the **Relevant Subsidiaries**), each of whom are wholly owned subsidiaries of RES Ltd, and that the Company is the relevant company in the Company's group of companies (the **RES Group**) that prepares consolidated group accounts, which include relevant details of the RES Ltd and the Relevant Subsidiaries.
- 2.2 The Chair explained that the purpose of the meeting was to consider, and if thought fit, approve certain matters in respect of the Relevant Subsidiaries taking a relevant audit exemptions for the financial year 31 October 2018 (the **Relevant Financial Year**) pursuant to section 479A of the Companies Act 2006 (the **CA 2006**) (the **Proposed Audit Exemptions**) and to tend to certain important formalities in connection with such Proposed Audit Exemptions.
- 2.3 In particular, the Chair reported that the process for obtaining such Proposed Audit Exemptions will, if approved by the board, involve the Company (as the relevant parent undertaking of the Relevant Subsidiaries) providing irrevocable and unconditional statutory parent company guarantees, pursuant to the RUKI Statement of Guarantee and the REC Statement of Guarantee (each as defined below), which would have the effect of:
- 2.3.1 the Company guaranteeing all outstanding liabilities to which each RUKI is subject at the end of the Relevant Financial Year to which the relevant guarantee relates, until they are satisfied in full;
- 2.3.2 the Company guaranteeing all outstanding liabilities to which each REC is subject at the end of the Relevant Financial Year to which the relevant guarantee relates, until they are satisfied in full; and
- 2.3.3 such parent company guarantees being enforceable against the Company by any person(s) to whom the Relevant Subsidiary is liable in respect of those liabilities,

and can thus be considered to be very broad in nature.

- 2.4 The Chair also noted that a relevant Department for Business, Energy & Industrial Strategy (**BEIS**) (formerly the Department for Business, Innovation and Skills) consultation and response in relation to the section 479A CA 2006 audit exemption suggested that any such guarantee covers outstanding liabilities including contingent liabilities, so as to protect all creditors and all other stakeholders.

- 2.5 It was further noted that the directors of the Company will however not need to provide any declaration of solvency to give the proposed RUKI Statement of Guarantee and/or the REC Statement of Guarantee.

3 Directors' interests

- 3.1 The Chair reminded the directors present at the meeting of their statutory duties under sections 171 to 177 of the CA 2006, and, in particular, the duties to promote the success of the Company under section 172 CA 2006, to avoid situations in which they have or can have a conflict or possible conflict with the company's interests under section 175 CA 2006 (**Situational Conflicts**) and to declare direct or indirect interests in proposed (section 177 CA 2006) or existing (section 182 CA 2006) transactions or arrangements with the Company (**Transactional Conflicts**).

- 3.2 In particular, it was noted that:

3.2.1 Chris Marsh was interested in the proposed transaction by virtue of being a director of RES Ltd, and he accordingly declared the nature and extent of his interests in accordance with section 177 of the Act, and such interests were duly noted;

3.2.2 Ivor Catto was interested in the proposed transaction by virtue of being a director of RES Ltd, and he accordingly declared the nature and extent of his interests in accordance with section 177 of the Act, and such interests were duly noted; and

- 3.3 It was noted that pursuant to the Articles, a director may vote and form part of the quorum in relation to any proposed transaction or arrangement in which they are interested.

- 3.4 The directors were reminded of their obligation to make a further declaration in the event that the above declaration proved to be, or became, inaccurate or incomplete as contemplated by section 177(3) of the Act.

- 3.5 Each other director present confirmed that he or she was not aware of any Situational Conflict or Transactional Conflict in relation to the proposed transactions to be considered at the meeting that for the purposes of the CA 2006 require authorisation or are otherwise required to be declared pursuant to CA 2006 or the Articles.

4 Proposed Audit Exemption Documents

- 4.1 The following documents relating to the Proposed Audit Exemption were produced to the meeting:

4.1.1 in respect of RUKI, a duly completed Companies House Form AA06 (*Statement of guarantee by a parent undertaking of a subsidiary company*), duly executed by a director on behalf of RUKI and which is also now proposed to be executed by director on behalf of the Company, under which the Company provides a statement of guarantee of all outstanding liabilities of RUKI for the Relevant Financial Year in accordance with section 479C of the CA 2006 (the **RUKI Statement of Guarantee**);

4.1.2 in respect of REC, a duly completed Companies House Form AA06 (*Statement of guarantee by a parent undertaking of a subsidiary company*), duly executed by a director on behalf of REC and which is also now proposed to be executed by director on behalf of the Company, under which the Company provides a statement of guarantee of all outstanding liabilities of REC for the Relevant Financial Year in accordance with section 479C of the CA 2006 (the **REC Statement of Guarantee**);

4.1.3 in respect of RUKI, a proposed form of written resolution of RUKI, to be executed by a director on behalf of RES Ltd (being RUKI's sole member as at the date of the meeting), providing (among other things) the requisite agreement of RES Ltd, as the sole member of RUKI, to RUKI taking its Proposed Audit Exemption (the **RUKI Sole Member's Agreement**); and

4.1.4 in respect of REC, a proposed form of written resolution of REC, to be executed by a director on behalf of RES Ltd (being REC's sole member as at the date of the meeting), providing (among other things) the requisite agreement of RES Ltd, as the sole member

of REC, to REC taking its Proposed Audit Exemption (the **REC Sole Member's Agreement**); and

- 4.1.5 in respect of RES Ltd, a proposed form of written resolution of RES Ltd, to be executed by a director on behalf of Company (being RES Ltd's sole member as at the date of the meeting), providing the Company's approval to RES Ltd entering into each of the RUKI Sole Member's Agreement and the REC Sole Member's Agreement and performing its obligations thereunder, and thereby to each of the Relevant Subsidiaries taking their Proposed Audit Exemption (the **Written Resolution**),

(each a **Document** and together the **Documents**).

5 Consideration

- 5.1 Each of the Proposed Audit Exemptions and the Documents were duly and carefully considered, having regard to their terms and all such other factors as the directors considered relevant (including consideration of the matters referred to in section 172 CA 2006).
- 5.2 The directors gave due and careful consideration to whether entry by the Company (and the Relevant Subsidiaries) into the Proposed Audit Exemptions and the relevant Documents was to the commercial benefit of and in the best interests of the Company and would promote the success of the Company for the benefit of its members as a whole. In this regard, it was noted that although the Company did not propose to charge a particular fee to either of the Relevant Subsidiaries for the grant of the Statements of Guarantee (as defined below), the board had taken into account the wider benefits accruing to the Company and the wider RES Group as a result (including being part of a financially stable group of companies, with continuing access to management, services, expertise, more favourable access to finance, and a relevant reduction in ongoing audit and compliance costs).
- 5.3 The directors also gave due and careful consideration to the likelihood of either (or both) of the proposed Statements of Guarantee (as defined below) being called by any of the potential third party beneficiaries of the same, and determined that, to the best of their knowledge and belief as at the date of the meeting, it was considered unlikely that either of such proposed Statements of Guarantee would be called, and that in any event the Company will receive full value for assuming any risks inherent in them, in the form of the wider cash and/or non-cash benefits outlined above.
- 5.4 In particular:
- 5.4.1 it was noted and reported that each of the Relevant Subsidiaries met the exemption criteria set out in section 479A(1) of the CA 2006 but that the Proposed Audit Exemptions were conditional upon compliance with all of the following conditions:
- (a) all members of the Relevant Subsidiaries (so, in the case of the Relevant Subsidiaries, RES Ltd as their respective sole member) must agree to each of the Proposed Audit Exemptions in respect of the financial year in question (namely the Relevant Financial Year);
 - (b) the Company (as the relevant parent undertaking of the Relevant Subsidiaries) must give a guarantee under section 479C of the CA 2006 in respect of that year (namely the Relevant Financial Year) for the Relevant Subsidiaries;
 - (c) each of the Relevant Subsidiaries must be included in the consolidated accounts drawn up for that year or to an earlier date in that year by the Company in accordance with the provisions of Directive 2013/34/EU of the European Parliament and the Council on the annual financial statements, consolidated statements and related reports of certain types of undertakings or international accounting standards;
 - (d) the Company must disclose in the notes to the consolidated accounts for that year that each of the Relevant Subsidiaries is exempt from the requirements of the CA 2006 relating to the audit of individual accounts by virtue of section 479A of the CA 2006;
 - (e) the directors of each of the Relevant Subsidiaries must deliver to the Registrar of Companies on or before the date that they file the company's accounts for that year:
 - (i) a written notice of agreement of the members referred to in section 479A(2)(a) of the CA 2006 (so, in the case of the RUKI, the RUKI Sole Member's Agreement, and in the case of REC, the REC Sole Member's Agreement);

- (ii) in the case of RUKI, the RUKI Statement of Guarantee referred to in section 479C(1) of the CA 2006;
 - (iii) in the case of REC, the REC Statement of Guarantee referred to in section 479C(1) of the CA 2006;
 - (iv) a copy of the Company's consolidated accounts referred to in section 479A(2)(c) of the CA 2006;
 - (v) a copy of the auditor's report on those Company consolidated accounts; and
 - (vi) a copy of the consolidated annual report drawn up by the Company.
- 5.4.2 the meeting considered the RUKI Statement of Guarantee and the REC Statement of Guarantee (together, the **Statements of Guarantee**) and it was noted that such Documents satisfied the requirements of section 479C(2) of the CA 2006, and that it was proposed that such Documents accordingly be approved for signing by a director of Company in its capacity as the relevant parent undertaking of the Relevant Subsidiaries;
- 5.4.3 the meeting considered the form of RUKI Sole Member's Agreement and it was noted that it satisfied the requirements of section 479A(2)(a) of the CA 2006; and
- 5.4.4 the meeting considered the form of REC Sole Member's Agreement and it was noted that it satisfied the requirements of section 479A(2)(a) of the CA 2006.
- 5.5 The directors then discussed the Proposed Audit Exemptions and the scope and nature of the proposed Statements of Guarantee, particularly the financial and commercial implications of the proposed arrangements.

6 Resolutions

- 6.1 After due and careful consideration of the Proposed Audit Exemptions and each of the Documents, and the matters referred to in paragraphs 2, 3, 4 and 5 above, IT WAS RESOLVED that:
 - 6.1.1 adopting the Proposed Audit Exemptions would be in the best commercial interests of the Company (and each of the Relevant Subsidiaries) and entry by the Company into the relevant Documents would promote the success of the Company (and each of the Relevant Subsidiaries) for the benefit of its members as a whole;
 - 6.1.2 the terms of the Written Resolution be and are approved, and that the Company such Written Resolution and deliver it to the company secretary of RES Ltd;
 - 6.1.3 the terms of the RUKI Statement of Guarantee be and are approved and that the Company execute such RUKI Statement of Guarantee;
 - 6.1.4 the terms of the REC Statement of Guarantee be and are approved and that the Company execute such REC Statement of Guarantee;
 - 6.1.5 any one director and, in the case of any Document requiring execution as a deed, any two directors or any director in the presence of a witness (who attests the signature), be and is hereby authorised to execute or sign each of the Written Resolution, the RUKI Statement of Guarantee and the REC Statement of Guarantee for and on behalf of the Company in the form produced to the meeting (subject to such amendments, modifications, variations and alterations as such person or persons may consider fit) and to do all such acts and things and agree, execute and deliver on behalf of the Company all such documents as he or she may consider necessary or appropriate under or in connection with the Proposed Audit Exemptions and/or the Documents;
 - 6.1.6 all prior actions taken by the Company and its directors in connection with the foregoing resolutions or with the Proposed Audit Exemptions and/or the Documents, including without limitation the entry into and performance of any documents, requests, notices, certificates and agreements be and are hereby ratified and approved in all respects; and
 - 6.1.7 the execution of the Documents and/or any notice, communication or other document referred to above by any person authorised to execute them will be conclusive evidence of the due authorisation by the Company of the execution of the Documents, notice, communication or other document.

7 Filing

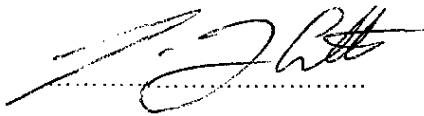
- 7.1 The Chair instructed the company secretary to:

- 7.1.1 make all necessary and appropriate entries in the books and registers of the Company;
- 7.1.2 following its execution, deliver to the company secretary of RES Ltd a copy of the Written Resolution, duly executed and dated by the Company;
- 7.1.3 following its execution, deliver to the company secretary of RUKI and/or REC (as applicable):
- (a) a copy of the RUKI Statement of Guarantee, duly executed and dated by the Company,
 - (b) a copy of the REC Statement of Guarantee, duly executed and dated by the Company,
 - (c) a copy of the consolidated accounts of the Company in which each of the Relevant Subsidiaries is included;
 - (d) a copy of the auditor's report on such consolidated accounts of the Company; and
 - (e) a copy of the consolidated annual report drawn up by the Company,
- among other things for the purposes of RUKI and/or REC (as applicable) thereby being in a position to deliver to the Register of Companies, on or before the date on which RUKI and/or REC (as applicable) files its accounts for the Relevant Financial Year, a copy of all such items (together with the RUKI Sole Member's Agreement, the REC Sole Member's Agreement and any other relevant deliverables, in each case as applicable) in accordance with the CA 2006.

7.2 It was noted that a copy of these minutes will be kept by the Company for 10 years from the date of this meeting in accordance with the CA 2006.

8 Close

There being no further business, the Chair then declared the meeting closed.



Chair

25/1/2019

(Date)