



28 August 2024

Details of the proposed rule amendment to be put to members at Wiltshire Wildlife Community Energy Ltd's 2024 Annual General Meeting

Dear Member,

Agenda item 11c at WWCE's AGM on 18th September is a proposed change to WWCE's rules relating to member capital repayment. The need for the rule change is explained below.

Why do we need to change the rules?

WWCE's ability to make interest payments to members and repay member capital is dependent on income from the solar arrays we own. The Braydon Manor Farm and Chelworth solar farms both benefit from a feed-in tariff revenue subsidy for 20 years from commissioning, i.e. to 2035 for Braydon Manor Farm and 2034 for Chelworth. The solar farms could last a further 10 years beyond the end of the feed-in tariff term, but revenues will be lower and less certain. The main component warranties will expire in 2039. Therefore, it is the intention of the WWCE board to repay member capital by the end of 2035 or soon after.

WWCE repays members who apply to withdraw their shares subject to available cash each year. We consider applications for withdrawal once per year for the 12 months up to the end of July. Our share buyback policy is published on the [Resources](#) page of the wwce.org website. There may come a time when the Directors consider it prudent to repay more capital than that for which we have received withdrawal applications. In this case we would repay members who have applied for their shares to be withdrawn in full and make an additional repayment to all other members in proportion to their shareholding.

FCA guidance requires that Community Benefit Societies which raise community share capital have a credible plan for repayment of that share capital. If WWCE is not able to repay share capital by the end of the operational life of the solar arrays the capital was raised to fund, we may not be able to repay the capital in full. The Braydon Manor Farm and Chelworth share offers envisaged repayment of share capital over the useful life of the solar farms. WWCE's financial projections, including the projected member interest payments and community fund allocations, are based on that happening and this is likely to mean a requirement to repay share capital in excess of share withdrawal requests in some years.

The current rules do not clearly state that WWCE can repay members who have not applied for their capital to be withdrawn. We are therefore proposing to amend the society's rules to clarify this.

Rule change details

The current relevant rules and proposed amendment are outlined below, subject to approval of WWCE's members and the FCA.

Current rules

22.(i) Class A shares may be withdrawn by Members upon giving three months' notice to the Society (though the Board retain sole discretion to return money paid for them), provided that:

- (i) All withdrawals shall be paid in the order in which the notices were received by the Society;
- (ii) A Member shall not be entitled to withdraw Class A shares which would leave them with less than the minimum Class A shareholding, unless they intend to terminate their membership of the Society;



Proposed rule change (which may be subject to amendments if requested by the FCA)

22. Class A shares may be withdrawn by Members upon making a request for withdrawal to the Society (though the Directors retain sole discretion to return money paid for them). Share withdrawal requests received by the Society in any 12 month period from 1st August – 31st July will be considered together by the Directors annually in advance of the AGM. The Directors will determine funds available for withdrawals to be applied as follows:

- (i) Where there are sufficient funds to approve all requests, all requests will be approved.
- (ii) If there are not sufficient funds to approve all requests, the Directors will allocate the funds available to members applying for withdrawal so that those Members are repaid an equal percentage of their capital.
- (iii) Where the applications for withdrawal are less than the amount of capital the Directors determine should be repaid, the Directors will firstly approve all requests for withdrawal. The remaining balance will be repaid to all Members so that they are repaid an equal percentage of their capital, subject to Members retaining a minimum Class A shareholding of £1.
- (iv) A Member shall not be entitled to withdraw Class A shares which would leave them with less than the minimum Class A shareholding of £1, unless they intend to terminate their membership of the Society;

Voting

We encourage members to vote in support of the amendment which we consider to be in the long-term interests of members and WWCE. You can vote in person at the online meeting of the AGM or by proxy form ahead of the meeting if you cannot attend.

Yours sincerely,

Julian Barlow, Chair

On behalf of the directors of Wiltshire Wildlife Community Energy Ltd