

BOARD MEETING MINUTES

Date: Board Meeting #073

Present: Sheila Clark, Chair
David Wilkinson, Vice Chair
Andrew Swann, Treasurer
Carol Thomas, Company Secretary
Peter Thomas, Operations Director
Sam Marshall
Patrick Marshall.
Cath Auty (DIG Nominated Director)

Pam Stansbury, Administrator

Apologies: Michael Odumosu

Meeting Details: Date Tuesday 16th September at 7:30pm
This meeting was conducted via Zoom and was recorded

MINUTES of the 73rd Meeting of the Board of Directors

The meeting opened at 7:30pm.

1) Apologies for Absence.

Apologies for absence had been received from Michael Odumosu.

2) Register of Interest & potential conflicts.

There were no changes to the register of interests or potential conflicts.

3) Approval of Minutes.

- a. The minutes of the meeting of the board, held Tuesday 17th June 2025, had been circulated to the board prior to the meeting. Some small grammar and spelling corrections were made prior to the approval.

David W proposed the minutes for approval. This was seconded by Cath A and approved unanimously by the board.

It was agreed by the board that the AGM minutes would be moved forward, admin should circulate to Cath & David ahead of the Boards approval.

4) Matters Arising not covered by the agenda.

- a. **Item 8c. AR30 and legal compliance:** Carol asked if the witness of the signature on the amended rules had now been completed. This is still outstanding; after discussion admin took an action to check if the new Company Secretary could sign and get this action completed.

- b. **Item 8e. Lease resumption.** Carol advised the board on current position. Owing to staff changes in Forestry she was currently working with Twin Deer Law and a DIG contact in Forestry to establish who has now taken over the responsibility to sign the Lease Resumption. She will keep the board advised.

5) Interim Board Decisions

- a. **21/06/25 Shareholder request to withdraw funds A102 & A103.** A request to withdraw funds by two shareholders had been approved and actioned.
- b. **09/07/25 PPA option to renew early.** Board agreed to hold renewal to a later date.
- c. **17/07/25 Foundation Scotland support letter.** This was approved by the board.
- d. **12/08/25 BT Contract increased costs.** This was approved by the board.
- e. **12/09/25 PPA contract offer F&S / NSR.** Board reviewed the new offer for PPA moving forward from January and agreed to renew at the current offer.

6) Chair's report

Sheila reported to the board on recent activities; many of which would be dealt with in more detail later in the relevant sections.

The CINK service and training had gone well, which Peter will report on.

Several discussions had been held on PPA, in relation to both optimum times to renew and offered contract prices. This will be reported on during the Finance report.

There had also been substantive communication with BT regarding their move to digital and our required upgrade.

Finally, Sheila reported to the board on the leaving gift for Roger Bartholomew. The bottle of port and pair of crystal glasses had been well received.

There being no questions and nothing further to add the Chair handed the meeting to Carol for the Company Secretaries report.

7) Company Secretary's report

- a. **Lease Resumption.** This had been reported on in A.O.B. Carol will continue to chase for a finalization of the matter.
- b. **Shareholder report.** Carol confirmed the request for withdrawal approved by interim decision had been actions. Share holding with shares added via interest now stood at circa £510,000

There were no questions and nothing further to report. The Chair thanked Carol for the report.

8) Finance report

- a. **Management report, bank & significant transactions.** The trial balance and management reports had been sent to the board members ahead of the meeting.

The reports currently show the bank balance at the end of August at £330,000. The accrued loan interest anomaly is being resolved between Pam and Armstrong Watson, it has been greatly improved, however there is still an amount of around £70k to allocate. When that has been sorted it will clear the anomalies in the management account and make figures much clearer. The trial balance shows a reduction in share capital, which is now around £510,000.

The members had also been sent the Generation data report, which shows a new forecast for the financial year end of some three hundred and sixty-nine thousand, which is around fourteen thousand ahead of budgeted income. The forecast appears to be all rain until the end of the year, which is always good news for our energy production.

- b. **PPA agreement 2026-2027.** Andrew referred to the new PPA agreement that had now been agreed and signed. Whilst lower than our old contract, which runs until 28th January 2026, the newly agreed rates net out slightly higher than our projected budget figure of 6.376 pence which had been budgeted previously. This bodes well for the future year, which is beneficial particularly considering the substantive increase in the cost of powerhouse telecommunications.

Carol confirmed for Andrew that the signed paperwork had all been duly actioned and returned to British Telecom. However there had been a further delay caused by Oban stating they were over capacity, and Lochgilphead requiring they undertook their own surveys before confirming their ability to take on the contract. Carol updated the board on the work she had undertaken to get to the current position. She was still awaiting confirmation that the work would go ahead and could not guarantee that their price would not change again. It had increased with the move to Lochgilphead, which they had then discounted back to the original quotation. Carol had emailed BT that morning to escalate the matter and was waiting on a response. Andrew confirmed he had used the higher cost figures in his cash flow.

Andrew also referred to our requirement to transfer funds to an interest-bearing account. Other matters had taken precedent; however, this was an open action, which Pam would deal with as soon as possible. Carol asked if we were still restricted to Triodos for our funds, Pam confirmed that SIS had confirmed they did not require any additional papers for them or have any requirement over where our cash was held, provided it was in a financial bank.

Following the previous board meeting, and comments raised by David, Andrew had drawn up and circulated a document regarding cash flow and the implications regarding share capital. Andrew reviewed for the board the cost implication of holding more share capital than we needed, considering the 4% interest we currently pay on shares, and the likelihood of an interest-bearing account paying more than 4%. On current operational plans additional capital is not required; this could of course change in the future. His paper had not discussed closing the share offer or removing the option to take interest as shares.

Carol advised that both closing the share offer and removing the share interest option could all both be implemented by resolution at the AGM. Various options were discussed, including the option to propose removing the share interest option, closing the open share offer, and advising the AGM that the business had reached a point where it would be permissible for people to withdraw shares. It was also viable for the board to recommend a value of shares the company would like to purchase back each annum.

Further discussion took place regarding the need to maintain shareholders to keep the company running, options for new directors, and the requirement to repay the SIS loan prior to any share reduction. The board also discussed some options following the end of the FIT payment period.

The board agreed that a more detailed analysis would be required closer to the end of the loan payments. David thanked Andrew for his clear and well written paper.

There being no further questions and nothing further to add, Andrew was thanked for his report, and the meeting was handed to Peter for the operational report.

9) Operational report

a. Generation data and operational activity.

Peter reported on a rainy June, July and August. Both in June and July we had excessive water, going well over budget. In August the rain was as forecast, with generation budget at 69,041 with actual at 69,857. Cumulatively, year to date we are currently 12% ahead of target. The recalculation of the weighting over monthly targets seems to be correct, in that we are not varying as much as we have in previous years. May showed us dropping behind curve, however this was quickly recovered when we had very low targets for June and July and very high outputs.

The cumulative going forward does not allow for generation going over budget, so we end up with an annual average slightly lower than we are at present; Andrew's figures are possibly conservative, but fairly accurate.

The annual service had been completed and went well. One of the recommendations will be to begin laying down some spares, which were felt to be useful at this stage of the plant's life, given lead times.

Peter is currently awaiting the report, which has been delayed because Jonathan has been unwell. When he has the report and the spares recommended, he will put a proposal to the board, which will most likely recommend the purchase to avoid possible downtime.

b. BT Works update.

IES have installed the additional sockets BT required. All the required work at our end has been completed and we are waiting on BT. The hardware has been delivered; all BT has to do is check cables and connect everything up. Carol has previously advised on the contractual challenges with BT.

Peter referred to the increase in outgoings over the quarter. The board had agreed payment for a chainsaw course for Jamie, which Peter was pleased to report had been successfully completed. This was considered a useful skill for both Jamie and the Community. However, with our normally low operational costs something as simple as a chainsaw course makes a noticeable difference.

Autumn leaves are beginning to fall; on two consecutive days the intake had to be manually cleared. Leaf blockage had reduced output to 70 or 100 kilowatts, once cleared it went back to 350; however, the next day it was down again and the process had to be repeated. This is of course expected at this time of year.

Peter had nothing further to add and there were no questions. The Chair thanked Peter for his report and handed the meeting to Carol for the Community Benefit report.

10) Community Benefit Fund

- a. **Fund Management Strategy.** The fund management strategy had been circulated to the board and approved.
- b. **Foundation Scotland Five Year Review.** This had been circulated to the board for their comments and approval. Carol requested approval from the board to circulate to our shareholders, as the review made interesting reading. It was interesting to read as it focused on what had been achieved to date, where people often focused on what was still to be done.

When focused on achievements it showed an impressive achievement. We have again been asked to allow our performance track record, experiences etc. to be used for another case study by DTAS or CARES. If the board approves Carol will start sending the report out to interested parties. First, it will go to the DIG Board.

David commented on the report as being good, particularly liking the recommendation that we should see more examples of people's experiences, things that have happened and people's reactions to them.

Three queries were raised. On page 25 there was a problem with the colour scheme for the ring chart where the colours did not match with the written labels.

On page 7 there is a reference to the anticipated contributions between 2020 and 2040 as being £1,177,000. Andrew raised a query as to the source of those figures, as his own expectations are significantly higher. Sam advised that she recalled this as a figure quoted before the hydro went into production.

Carol also raised a query over the length of time quoted, as it should be either 20 to 37, or 20 to 57 with AED holding a 40-year lease. Carol will review this paragraph with Foundation Scotland.

A board discussion followed on the merits of government subsidiaries for Renewable Energy, and the success of the Community Benefit Fund. Carol raised the benefits of circulating the report to shareholders; following the AGM there had been several messages of support and congratulations in relation to the Community Benefit achieved.

Following the discussion, and subject to Carol implementing those corrections with Foundation Scotland, the board approved the circulation of the report.

There being no questions, and nothing further to add Carol concluded her report, and handed the meeting back to the Chair.

The Chair thanked Carol for her report.

11) Communications

The communications list had been circulated to the board ahead of the meeting. There were no major items to note.

12) Any Other Competent Business

- a. **FIT and SEG Options.** Roo raised a question over the alternative options for selling our electricity when FIT closes. A discussion took place over the different options. FIT will stop in 2037 and at that point we will need to have researched alternative options.

The wear and tear and potential operational costs were discussed. Our operational costs are unlikely to rise dramatically. Following the discussion Peter recommended that Roo do more research into options and we could review those options moving forward. If we could achieve a higher sale price for our electricity, either in place of PPA or as well as PPA we are duty bound to investigate those options.

The board finished with a brief discussion on Andrew's share option paper, the need to review that and agreed a policy ahead of the AGM.

There were no other matters to discuss.

13) Date & Time of next meeting(s)

The next meeting will be held on Tuesday 20th January at 7:30pm.

The Chair thanked everyone for attending and closed the meeting at 8.50pm

Minutes to be approved at Board Meeting #074 on Tuesday 20th January 2026



Signed by Sheila Clark, Chair.
20th January 2026