



Recovering Energy from Waste

Extraordinary Board Meeting Minutes

Monday 5th June 2023
10.00 am Via Teams

Present: R Gray (Chairman)
K Starkey
C Penson
P Johnson
B Hastie

Minute Taker S Kaur

	Action
<p>1. Management Review Meeting The Management Review Meeting reports for the meeting originally scheduled for Monday 5th June 2023 were taken as read.</p> <p>2. G1 Turbine Failure - Verbal Update Mr Starkey gave a verbal update to the Board with regard to the G1 turbine failure and a detailed timeline of events that took place on Saturday 27th May.</p> <p>Mr Starkey stated that following an initial meeting with insurers, AON believe FM Global will reserve a total potential value of [REDACTED] in relation to the claim. FM Global have verbally confirmed that it is an insured loss but the Company will be seeking written confirmation.</p> <p>Mr Starkey stated that the Company was actively pursuing two recovery options in parallel:</p> <ul style="list-style-type: none">• Repair – via reverse engineering of parts. GE (the turbine OEM) have been contacted to determine if they are able to assist with drawings and parts;• New machine – the lead-time for delivery could be up to three years. <p>Mr Starkey stated that based on initial inspections there is substantial damage to the HP rotor, but whilst there is no immediate serious damage to the LP rotor, generator, condenser and the gearbox the full extent of</p>	

<p>their condition will not be known until the machine has been stripped down and inspected by TMS.</p> <p>Mr Starkey informed the Board that efforts were underway to connect G2 to the 33KV network so that it could meet the plant's electrical requirements and avoid or at least mitigate the import cost which is currently running at █████ per day.</p> <p>Mr Gray asked what the FM Global insurance policy excesses were and Mr Penson confirmed that the excess is █████ for property whilst for business interruption there is a █████ self-insured element. If it is not possible to mitigate the loss Mr Starkey stated that the lost revenues and additional costs could total █████ a day, which would equate to █████ during the wait period.</p> <p>Mr Johnson asked whether there would be any impact on the 2022/23 accounts which are currently unsigned. Mr Penson responded that he expected that the matter would be a disclosable but not adjusting post balance sheet event and that the going concern reporting and disclosures would probably require amendment. It is possible that the signing of the accounts, currently scheduled for 10th July, might need to be postponed. Mr Penson informed the Board that he had scheduled a meeting with Lorna McNeil of EY to discuss these matters and hoped to obtain further clarification.</p> <p>Mr Penson stated that AON offer a claim management service which could be used to help achieve the best outcome for the claim. This was still under consideration and needs to be discussed further with Aon but Mr Gray stated, on behalf of the Board, that the executive directors should proceed with this if they determine that it is the best option.</p> <p>It was agreed that Mr Starkey will update the Board on this matter via email on a regular basis and prior to the Shareholder Panel meeting scheduled for Wednesday 28th June.</p> <p>3. Any other Business There was no further business.</p>	<p>Mr Penson</p> <p>Mr Starkey/ Mr Penson</p>
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Dates of next meetings

The dates of the next meetings were confirmed as:

Shareholder Panel Meeting Wednesday 28th June 2023 commencing at 4.00pm.
Method of meeting: Teams

Board Meeting Monday 10th July 2023 commencing at 10.00am at the
Registered Office

Management Review Meeting Monday 25th September 2023 commencing at 10.00am.
Method of meeting: Teams

There being no further business, the Chairman closed the meeting at 10.50 am.

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Chairman

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