

**Thrive Renewables Plc  
Annual General Meeting Q&As**

**Held at:** The Royal Institute of Great Britain, 21 Albemarle Street, London, W1S 4BS  
**On:** 30 June 2017, at 11.30 a.m.

The following is a summary of questions asked and answered at the AGM on 30 June 2017.

**Q: Within the 2016 Annual Report and accounts, what does GAAP and IFRS stand for?**

A: GAAP means Generally Accepted Accounting Principles, which ceased to exist in 2015 and companies were required to adopt IFRS or new GAAP. The Company chose to adopt IFRS as the most transparent view of the Company's accounting.

**Q: Could someone explain the profit and loss account movements on page 50 of the 2016 Annual Report and accounts?**

A: Katrina Cross (Finance Director) directed all to Note 23 and Page 51 of the Annual Report, which explains the movements.

**Q: Why does the Board recommend a dividend of the same amount as the previous year (4 pence per share) given the downturn in profit? Other shareholders expressed a view that they would be happy to receive a reduced dividend, or to receive their dividend in the form of shares rather than cash.**

A: Katrina Cross explained that the Company had significant capital reserves that had been held back from the more profitable years in order to be able to pay a consistent dividend year on year. Katrina also explained that the Board's policy was to retain half of its profit in its capital reserves, and there is nothing fundamentally wrong with the outlook for the business, and the Board is confident of the long-term profitability of the Company. It was also explained that the Company operates a scrip dividend scheme which enables shareholders to receive their dividend in newly issued shares, instead of cash, if they wish. Shareholders can sign up to the scrip scheme by contacting the Registrar Computershare.

**Q: Is it possible to hedge against wind production in order to smooth out downturns in wind generation?**

A: It was explained that the Company had already considered this in 2010/2011, but that the cost of taking out a hedging policy was so high that the Company was better riding out the downturns than paying for the policy, and that finding a natural hedge was not easy.

**Q: It was noted that 4 directors do not hold shares. It was also noted that the directors' emoluments had increased significantly in 2016 and that there is no figure for the highest paid director in the 2016 Annual Report.**

A: Katrina Cross explained that Directors' emoluments increased in 2016 as a result of the company becoming independent of Triodos Bank, as the executive team were previously employed by Triodos Bank and their fees were charged back to the Company under the management services agreement. As a result, Matthew Clayton and Katrina Cross are now paid directly by the Company, as is Charles Middleton, which has resulted in the increase. It was also explained that the non-executive Director fee is £9k per annum and the Chairman's fee is £12k per annum. A remuneration committee has been established which properly benchmarks fees and salaries.

**Q: Is there any understanding as to why it was less windy during 2016, and whether it is a result of climate change or can be forecast?**

A: It was explained that Northern Europe had a low wind period during 2016, but that it is not exceptionally low and there is no evidence to suggest that this is part of a downwards trend, rather it is the natural variability. It should also be noted that technical issues have also been experienced during windier periods. The Board keeps up to date with climate change issues, so would be well placed to respond if there was any evidence to suggest that winds were going to slow significantly long term.

**Q: The audit fees paid to PwC for 2016 seemed rather high, would the Company consider using an auditor outside of the top 4 audit firms?**

A: Katrina Cross explained that the TR plc group has a complex structure, with 26 operating companies (one for each site) sit underneath the plc company, and that each of these needs to be audited. There was an extensive tender process during 2016, which included short-listing some companies outside of the top 4, following which PwC was chosen and appointed as the Board felt that PwC would deliver best value to the group given the complexity of the group structure. The Company does regularly market test the auditors and goes through a tender process every 5 year.

**Q: Could wind generation be naturally hedged by investing in solar?**

A: Matthew Clayton explained that the Company has now diversified into solar, by investing in a solar project in May 2017, and the team continue to review sustainable project opportunities across different types of renewable technology.

**Q: Why is the trading price of shares on the matched bargain market below the directors' valuation?**

A: It was explained that the only reason that some shares sell for less than the directors' recommended value for the shares is because shareholders make their shares available for sale at a lower price than the recommended value. When listing to sell on the matched bargain market shareholders are asked to set the minimum price at which they are willing to sell their shares.

**Q: What ethical considerations are taken into account by the Board when carrying out the auditor tender process?**

A: Katrina Cross replied that the auditor's track record for renewables, which auditor would provide the best value for the Company and who would be best placed to deal

with the complexity of the group, were the three criteria on which the decision to appoint PwC was made.

**Q: What is the Company's auditor tender policy?**

A: It was explained that the Company usually carries out a tender process every 5 years, but due to the introduction of IFRS in 2015 the tender was delayed by a year to keep the auditors consistent whilst transitioning to IFRS.

**Q: How many times has Resolution 9 been used (the Director's authority to allot shares in the Company up to an aggregate maximum number of 10,000,000 Ordinary shares)?**

A: Twice in the last three years, and on each occasion an Investment Memorandum was published and sent to all existing shareholders. In 2016, Triodos Bank purchased around 433k shares for an investment of £1m, and approximately 27.5k scrip shares were issued.

**Q: It was asked whether Directors who are put forward to be newly appointed to the Board could explain to shareholders what they can bring to the Company and how they see their role evolving, a little like a political manifesto.**

A: It was explained that it would not be appropriate for Directors' seeking appointment to speak at the AGM since many shareholders have already cast their vote / proxy ahead of the meeting. The question was noted, however, and it was indicated that the Board would consider for future appointments whether it was appropriate to include some additional information about new Directors who are seeking appointment by shareholders, along with a statement from the new Directors, in the notes accompanying the Notice of AGM.