

Addendum to Collaborative Benefits Report

Caerphilly County Borough Council sign the Shared Ownership Heads of Terms for Pen March Wind Farm (the “Proposed Scheme”)

On 24 July 2023 Caerphilly County Borough Council signed the Shared Ownership Heads of Terms, joining Merthyr Tydfil County Borough Council in agreeing to the terms on which RWE Renewables UK Swindon Ltd (RWE) agrees, in principle, to make available to both local authorities the opportunity to invest in the Proposed Scheme:

[RWE Renewables UK Swindon Ltd] will, prior to [Final Investment Decision], offer the opportunity for the Shared Ownership Counterparties to buy shares in the Project [Special Purpose Vehicle] at [Final Investment Decision] or at [Commercial Operations Date]. The exact percentage of investment is yet to be agreed but shall not exceed 20% (in total between the Shared Ownership Counterparties).

In return for their investment, the Shared Ownership Counterparties will receive shares (an equity stake) in the [Special Purpose Vehicle]. The number of shares the Shared Ownership Counterparties receive will depend on the percentage investment they choose to make. It is important to note that the shares will be non-voting and the Shared Ownership Counterparties will not have a say in how the [Special Purpose Vehicle] or the Project is run or managed – this will be the responsibility of [RWE Renewables UK Swindon Ltd].

Caerphilly County Borough Council returned the signed documentation following RWE’s preparation of the final planning application documents for submission. The signed Heads of Terms are therefore being submitted as an addendum to the Collaborative Benefits Report dated July 2023.

While the Heads of Terms document is not intended to and does not form a legally binding contract, it is an important milestone in the Shared Ownership relationship and commits all sides to further dialogue and discussion.