



CREATING ENERGY WE CAN ALL FEEL GOOD ABOUT

lowcarbonhub.org

9 March 2023

Dear Member,

Further to my recent letter regarding the restructuring at the Low Carbon Hub, I am pleased to report that all of the consultation that we have undertaken, with members of both the Low Carbon Hub IPS and the Low Carbon Hub CIC, has been supportive of the changes. You will recall that the restructuring was in part prompted by the intervention of the Financial Conduct Authority (FCA), the body that registers Co-ops and Community Benefit Societies.

Our discussions with the FCA have been successfully resolved, but as part of the settlement, the FCA has asked us to remove Rule changes that were previously approved by Members but which the FCA believes contravene their Guidance on the Co-operatives and Community Societies Act 2014.

These changes were mostly about making clear that we operate for 'charitable purposes'. The FCA view is that, while that might be true in spirit, that is not true in terms of their understanding of Charities Law. Our solicitors, Bates Wells Braithwaite, disagree with the FCA view, but we think this is a battle we should not continue to fight. These changes affect Rules: 2.2.3; 2.3; 2.4; and 33.2.

The other change they have asked us to make is to remove Rule 9.3 that allows family members to transfer class B transferable shares between themselves without approval from our Board. Their view is that transfers of all class B shares need to be approved. We only have a few class B shareholders and these are all pioneer shareholders who invested in our first ever share offer.

Finally, we have taken the opportunity to make some administrative updates: clause 35 we have updated to change Financial Services Authority to Financial Conduct Authority; and we have updated the cover sheet, page 3 and the end sheet to show our current registered office at Holywell House, Osney Mead, Oxford OX2 0ES.

Although these changes are minor in terms of their impact on Members, the FCA has asked us to do them by the end of the financial year, which is 31 March. To do this we need at least 20 members to vote at an EGM, so the IPS board has called a meeting for 1pm on 31 March, giving Shareholders 21 clear days notice of the meeting.

Please do attend the meeting if you can.



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It is very important for our relationship with the FCA that we make them in due time, and we need at least 20 Members to be quorate!

Kind regards

A handwritten signature in black ink, appearing to read "S. Drummond".

Steve Drummond
Chair
Low Carbon Hub