

Confidential

DAVID MACBRAYNE LIMITED ("DML")
MINUTES of the BOARD MEETING
held on Wednesday 9 February 2022 at 9.00 a.m.

in the Lewis Meeting Room, Gourock, PA19 1QP and by audio/video conference

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs) Section 33 (Commercial interests) and Section 36 (Confidentiality)]

Present:
E Ostergaard (EO) - Chair
S M Browell (SMB)
M Comerford (MC)
R Drummond (RD)
T Ingram (TI)
D Mackison (DM)
A Tait (AT)

In attendance:
C Wilcock (CW) – Head of Ferries Unit, Transport Scotland
C Murrie (CM) – Transport Scotland
J Ward (JW) – Finance Director
R Morrison (RM) – Operations Director (part)
S Hulme (Shu) – IT & Change Director (part)
S R Griffin (SRG) – Company Secretary

Apologies: G Macrae (GMac)

| Item | | Action |
|-------------|--|---------------|
| 1. | <u>GOVERNANCE</u> | |
| 1.1 | CHANGES TO BOARD AND CHAIR The Board noted that E Ostergaard had taken over a Chair of DML Board with effect from 3 January 2022 and that D McGibbon had resigned as a Director of DML (and other DML Group subsidiaries) with effect from 31 January 2022. The Board noted the changes to the composition of the Board Committees approved at the CFL Board meeting on 13 December 2021. <u>Decision</u> The Board RATIFIED the changes to the Board Committees as follows: <u>1) Audit & Risk Committee (ARC)</u> Grant Macrae – became a member of the ARC. Grant Macrae – would take over as Chair when the current Chair (Albert Tait) ended his term of appointment on 28 February 2022. Sharon O'Connor – to become a member of the ARC with effect from her Board appointment on 14 February 2022. <u>2) Health, Safety, Environment & Quality Committee (HSEQCo, formerly SafetyCo)</u> Tim Ingram – became a member of the HSEQCo Sharon O'Connor – to become a member of the Committee with effect from her Board appointment on 14 February 2022. Sue Browell – to leave the HSEQCo when Sharon O'Connor joins on 14 February 2022. | |

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3) Remuneration Committee (RemCo)

Grant Macrae – became a member of the RemCo.

Mike Comerford – would become a member of the RemCo when Albert Tait ended of his term of appointment on 28 February 2022.

Albert Tait – to leave the RemCo at the end of his term of appointment on 28 February 2022.

Decision

The Board **APPROVED** the appointment of E Ostergaard and S O'Connor to the CFL Board with effect from the same date as their appointments to the DML Board and the Company Secretary was **AUTHORISED** to make the necessary filings.

1.2 SAFETY & ENVIRONMENT MOMENT

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

1.3 APOLOGIES FOR ABSENCE

Apologies for absence had been received from G Macrae.

1.4 DECLARATIONS OF INTEREST

The Board noted the declared appointments for the three recently appointed directors as below:-

- Erik Ostergaard - CEO, Danish Transport & Logistics (DTL); Chair, ADP A/S; Deputy Chair, Royal Arctic Line A/S; Non-Executive Director, Red Funnel Limited; Non-Executive Director, IRU; Supervisory Board member, UK Chamber of Shipping; and Chair, Nordic Logistics Association
- Tim Ingram - Non-Executive Director, NHS Western Isles Board; Chair, NHS Western Isles Healthcare Governance & Audit Committee; Member, NHS Western Isles Staff Governance Committee; Member, NHS Western Isles Endowment Fund Committee; Member, Western Isles Integration Joint Board; and Member, Western Isles Integration Joint Board Audit Committee
- Grant Macrae - Board Member, Scottish Police Authority; Independent (Non-Trustee) member, Audit & Risk Committee of University of Edinburgh; Non-voting Citizen Representative Member, Edinburgh Integrated Joint Board; Governor, St Columba's Hospice; Trustee, Merchant Company Education Board; and Junior Vice President, Rotary Club of Edinburgh.

Action: S R Griffin to circulate the updated Directors' Interests spreadsheet to the Board.

SRG

1.5 MINUTES FROM BOARD MEETING OF 3 NOVEMBER 2021

The Minutes of the Board meeting held on 3 November 2021 were **APPROVED** and the Chairman was **AUTHORISED** to sign the minutes.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

1.6 ACTION LOG

The action log was discussed

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

All other actions were complete, not yet due or Agenda items.

At this point R Morrison joined the meeting.

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2. **STRATEGIC ITEMS**

2.1 **COVID-19 – OPERATIONAL IMPACT UPDATE**

The Board noted the presentation from R Morrison

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

At this point R Morrison left the meeting.

2.2 **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

3. **BOARD COMMITTEES**

3.1 **AUDIT & RISK COMMITTEE (ARC) MINUTES OF 17 NOVEMBER 2021**

The Board noted the draft minutes.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

3.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE MINUTES OF 18 NOVEMBER 2021**

The Board noted the draft minutes.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

3.3 **REMUNERATION COMMITTEE (REMCO) – MINUTES OF 17 NOVEMBER 2021 AND CRA MINUTES OF 17 JANUARY 2022**

The Board noted the draft minutes circulated previously.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

4. **GROUP REPORTS**

4.1 **GROUP CEO REPORT**

The report from D Mackison was noted and he reported as follows:

- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Transport Minister change – the new Transport Minister was noted.
Action: E Ostergaard noted that the Minister had been invited to a dry-dock visit in late February and asked that she be invited to attend a DML Board meeting.
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Contract Customer Engagement – the large account management process (LAMP) work was going well
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

DM

Communications Report

This report was noted and D Mackison reported that a paper would be going to the next RemCo regarding the appointment of the Group Communications Director.

D Mackison reported that the internal email management tool was to assist with internal emails to staff by tracking who read them which would allow improvements to be made. This tool would be used across different teams including ports & vessels, not just in respect of Corporate Comms, and was aimed to drive engagement with crews and network-based staff.

D Mackison confirmed that the messaging around the Harris timetable changes had been carried out carefully although it had resulted in negative press. C Wilcock commented that CalMac Operational Planning were looking at streamlining the overall timetable consultation process with Transport Scotland.

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[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

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4.2 **GROUP FINANCE UPDATE**

The Board noted the report from J Ward covering to end December 21.

4.2.1 **Group Profit Performance– to end December 21**

J Ward reported that YTD Operating profit was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**. Key variances were:

[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]

[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]

4.2.2 **DML Group Forecast 21/22**

J Ward reported that the forecast was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** Key assumptions included:

[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]

4.2.3 **Balance Sheet**

Changes to the balance sheet were mainly due to **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

4.2.4 **Cash Flow Statement**

J Ward reported that the closing cash balance at end December was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** and had been impacted by **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

4.2.5 **KPIS**

These were noted.

At this point S Hulme joined the meeting.

4.3 **GROUP CHANGE EXECUTIVE BOARD UPDATE**

The report was noted and S Hulme updated the Board on projects as follows:

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

S Hulme reported that OGC Managing Successful Programmes training on how to carry out strategic change projects would be rolled out to Executive Management, key staff and also some Transport Scotland staff.

At this point S Hulme left the meeting.

4.4 **GROUP GROWTH EXECUTIVE BOARD UPDATE**

The report was noted **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

4.5 **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

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4.6 **RISK REPORT**

This report was noted.

5. **ANY OTHER BUSINESS**

5.1 **BOARD MEETINGS ON THE NETWORK**

The Board noted that invitations that had recently been sent out for **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]** and the 12 August planned network visit to Skye as well as a placeholder for a potential Ferries Community Board joint meeting and dinner in mid-June.

5.2 **MENTAL HEALTH FIRST AIDER**

A Tait reported that he had undertaken the Mental Health First Aider training and joined the working group and that, as he was coming to the end of his appointment term, another non-executive should consider undertaking this training.

6. **DATE OF NEXT MEETING**

Thursday 7 April 2022 at 9.00am in Gourock and by audio/video conference.

Signed:

E Ostergaard, Chair

Date: