

Confidential

DAVID MACBRAYNE LIMITED ("DML")
MINUTES of the BOARD MEETING
held on Wednesday 30 November 2022 at 10.15 a.m.

in the Iona 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)
G Macrae (GMac)
S O'Connor (SOC)

In attendance:
C Wilcock (CW) — Head of Ferries Unit, Transport Scotland
J Ward (JW) – Finance Director (part)
S R Griffin (SRG) – Company Secretary

Item	Action
1. <u>GOVERNANCE</u>	
1.1 SAFETY & ENVIRONMENT MOMENT E Ostergaard reported that an oil tanker had recently arrived in Las Palmas with three stowaways from Lagos having spent 11 days on the ship's rudder. He noted that it was important to be aware that despite putting in place strict preventative security measures, someone would always be able to find a way around them.	
1.2 APOLOGIES FOR ABSENCE There were no apologies for absence.	
1.3 DECLARATIONS OF INTEREST There were no new declarations.	
1.4 MINUTES FROM BOARD MEETING OF 25 OCTOBER 2022 The Minutes of the Board meeting held on 25 October 2022 were APPROVED and the Chairman was AUTHORISED to sign the minutes.	
1.5 ACTION LOG The action log was noted.	
[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]	
All other actions were complete or not yet due.	
2. <u>STRATEGIC ITEMS</u>	
2.1 [FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]	

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3. ANNUAL REPORT & ACCOUNTS

3.1 FINANCE DIRECTOR OVERVIEW

The report from J Ward was noted **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**. Key factors were:

- Covid **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- Vessel maintenance costs **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

3.2 DAVID MACBRAYNE LIMITED ANNUAL REPORT & ACCOUNTS 2021/22

The David MacBrayne Limited Annual Report & Financial Statements to 31 March 2022, including the Auditor's Report, were noted.

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

Decision

The Board **APPROVED** the DML Annual Report & Accounts and **AUTHORISED** them to be signed on behalf of the Board.

3.3 DAVID MACBRAYNE LIMITED LETTER OF REPRESENTATION

The Board noted that the Audit & Risk Committee had reviewed the Letter of Representation and had recommended its approval by the Board.

Decision

The Board **APPROVED** the Letter of Representation and **AUTHORISED** it to be signed on behalf of the Board

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

4. BOARD COMMITTEES

4.1 AUDIT & RISK COMMITTEE (ARC) – MINUTES OF 6 OCTOBER & 9 NOVEMBER 2022

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

4.2 HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo)– 10 & 14 NOVEMBER 2022

M Comerford reported that the HSEQCo had received a case study presentation on the Condition Assessment Project. He reported that good work was being done with useful information coming from this project regarding the work required and costs of keeping the ageing vessels going.

M Comerford noted that at the second HSEQCo meeting the Annual Environmental & Safety & Reports had been reviewed and recommended for Board approval and these were scheduled for later in the meeting.

4.3 REMUNERATION COMMITTEE (REMCO) – MINUTES OF 9 NOVEMBER 2022

The Board noted that the draft minutes had been circulated. S M Browell reported that there was an action on Board members to discuss and produce a proposal for Board fees and expenses.

5. GROUP REPORTS

5.1 BOARD COMMITTEE CHANGES (INTERIM)

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The Board noted the report from E Ostergaard and he reported that he had spoken to the Board members about the interim proposals which would ensure each Committee remained quorate until the new Board members were appointed and these were as follows:

Audit & Risk Committee (ARC)

Grant Macrae – Chair – no change

Sharon O'Connor – member – no change

Tim Ingram – joins as member from 30 November

Sue Browell – leaves ARC at end of term of appointment on 30 November

Health, Safety, Environment & Quality Committee (HSEQCo, formerly SafetyCo)

Mike Comerford – leaves as HSEQCo Chair at end of term of appointment on 30 November

Tim Ingram – member – becomes HSEQCo Chair from 30 November

Sharon O'Connor – member – no change

Remuneration Committee (RemCo)

Sue Browell – leaves as RemCo Chair at end of term of appointment on 30 November

Sharon O'Connor – appointed to RemCo and becomes Chair from 30 November

Grant Macrae – member – no change

Mike Comerford – leaves RemCo at end of term of appointment on 30 November

Decision

The Board **APPROVED** the interim Board Committee changes.

5.2 GROUP FINANCE UPDATE

The Board noted the report from J Ward.

5.2.1 DML Group P&L Month & YTD Performance

J Ward reported that **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**. The key variances were: **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

5.2.2 DML Group P&L Annual Forecast

J Ward reported **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**. The main drivers were: **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

Risks & Opportunities

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

5.2.3 DML Group Balance Sheet

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

5.2.4 CASHFLOW STATEMENT

It was noted that cashflow had been discussed earlier in the meeting.

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

5.4 POLICIES REVIEW

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The following Policy which had been reviewed at the ExCo and submitted for Board approval was noted:

- Refund – updates to the existing policy were noted.

Decision

The Board **APPROVED** the Refund Policy.

5.5 ANNUAL ENVIRONMENTAL PERFORMANCE REPORT

The Board noted the Annual Environmental Performance Report and R Drummond advised that it was a requirement of the CHFS2 Contract that this report be produced and submitted to Transport Scotland. It was noted that the HSEQCo had reviewed this report and recommended it to the Board for approval.

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

Decision

The Board **APPROVED** the Annual Environmental Performance Report for submission to Transport Scotland.

5.6 ANNUAL SAFETY REPORT

The Board noted the Annual Safety Report and R Drummond advised that it was a requirement of the CHFS2 Contract that this report be produced and submitted to Transport Scotland. It was noted that the HSEQCo had reviewed this report and recommended it to the Board for approval.

Decision

The Board **APPROVED** the Annual Safety Report for submission to Transport Scotland.

6. ANY OTHER BUSINESS

6.1 NEW BOARD DIRECTORS

E Ostergaard reported that applications for the two new Board Director vacancies closed on Friday and the appointments were anticipated to take effect from 1 March 2023.

6.2 TRANSPORT SCOTLAND UPDATE

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

6.3 THANKS TO OUTGOING DIRECTORS

E Ostergaard thanked S M Browell and M Comerford for their hard work both as Board members and as Chairs of Board Committees and he noted that CalMac had improved over recent years. He wished them all the best for the future and they were presented with a memento in recognition of their service.

7. DATE OF NEXT MEETING

Wednesday 14 December 2022 at 09.00 am online (AGM).
Wednesday 14 December 2022 at 09.30 am online (CFL Board).
Wednesday 1 February 2023 at 09.00 am in Gourock.

Signed:
E Ostergaard, Chair

Date: