



Ubico Limited

Formal Decision Report

Board of Directors – 27 April 2021

Proposed new schedule of meetings

Confidentiality	Is the subject of this paper confidential and if yes what are the reasons for the confidentiality?
	No
Executive summary	<p>In their Board Effectiveness Review of 2018, Campbell Tickell recommended that the new Board hold at least six meetings per year:</p> <p><i>“A model of at least six meetings per annum is assumed in future calendar planning for the new Board, though it would be for the new Board to determine the design of its work in this respect (and also to consider whether it wishes to make any alterations to committee structure etc.)”</i></p> <p>The number of Board meetings was therefore increased in 2018 from four to six per annum.</p> <p>During 2020, Ubico’s new Board made changes to the Board structure, creating two new sub-committees, Risk and Audit and Governance and Nominations. This has resulted in the addition of a minimum of three formal meetings of Ubico Board members each year, with four already planned in 2021 and 2022, increasing the number of meetings by more than 50%.</p> <p>To remain efficient and effective, a reduction in meetings is proposed to bring the total number of meetings to nine per year. This is still an increase compared to the current number of meetings (six) and good governance is not therefore considered to be compromised.</p>

Recommendations I recommend that Board:

1. Consider the proposed annual meeting schedule outlined at Appendix 1.
2. APPROVE the proposed interim annual schedule of meetings of Board and Committees (totalling nine per year) to commence April 2021.

Details of known implications (e.g. H&S, HR, Finance, Legal, Environmental)

Legal implications

Article 11.5 of Ubico's Articles of Association states, in respect of Board meetings, that:

'The directors shall hold a meeting at least four times a year, with no two meetings being held more than three months apart'.

There is a similar provision in the Shareholder Agreement.

In changing the schedule of Board meetings as proposed, this requirement will continue to be met.

The Committees set up by Board are not decision-making bodies but they do support the good governance of the Company by undertaking detailed work on behalf of the Board and by providing assurances (within the remit of their Terms of Reference) to Board prior to decisions being taken by Board.

1. Background

- 1.1 In their 2018 review of Ubico Board Effectiveness, Campbell Tickell made the following recommendation:

“A model of at least six meetings per annum is assumed in future calendar planning for the new Board, though it would be for the new Board to determine the design of its work in this respect (and also to consider whether it wishes to make any alterations to committee structure etc.)”

- 1.2 Article 11.5 of Ubico’s Articles of Association states that: ‘The directors shall hold a meeting at least four times a year, with no two meetings being held more than three months apart’.

- 1.3 Further to the Campbell Tickell recommendation, the number of meetings of the Board was increased from four to six per year in 2018. A structure change was not made at that time. This new schedule continued to meet the requirement of Article 11.5 of the Articles of Association as outlined in 1.2.

- 1.4 During 2020, Ubico’s new Board made changes to the Board structure, creating two new Committees, Risk and Audit and Governance and Nominations. This has resulted in the addition of a minimum of three formal Committee meetings each year, with four already scheduled for each of 2021 and 2022.

- 1.5 This has resulted in the total number of meetings involving directors rising from six to ten. Whilst it is imperative that the Board ensure adequate and appropriate levels of governance and scrutiny, it is important that the number of meetings required to achieve this remains manageable.

2. Recommendation

- 2.1 It is proposed that the total number of Board and Committee meetings held per annum is reduced, from ten down to nine.

- 2.2 Appendix 1 shows the current schedule, totalling ten meetings in the year, and the proposed new schedule, totalling nine.

2.4 The proposed new schedule meets the requirements of the company's Articles of Association, as well as the Campbell Tickell recommendation of a minimum of six meetings (albeit not all Board) per year.

2.5 It is recommended that the schedule be implemented from April 2021. The most practical way to move to this new schedule without losing continuity, whilst also ensuring continued adherence with the company's Articles, would be to cancel the scheduled December 2021 Board meeting. As per the new schedule, a Board meeting would take place just one month later, in January 2022. The AGM could reasonably remain as scheduled for December 2021.

3. Reasons for recommendation

3.1 It is important for the Board to continue to remain effective, whilst also maintaining good levels of efficiency.

3.2 Nine meetings per year, with a mix of Board and Committees each making up 50% of those meetings, allows continued effectiveness and maintains good governance levels.

3.3 The proposed new schedule of meetings has been drawn up with consideration for avoiding practical scheduling problems:

- A meeting is not routinely scheduled for August when it is most difficult to co-ordinate diaries due to summer holidays.
- There is a better distribution of meetings ahead of the AGM which is usually held in December. Any agenda items to be taken from Board to the AGM can be considered at the September and/or November Board meetings, allowing for more consideration and preparation time for taking those items forward to the AGM.

3.4 The Executive Team can confirm that the standing items currently considered at the December Board meeting each year, relating to the Environmental Management System and Environmental Management Policy, can be considered by the Board at its January meeting without any operational detriment and without jeopardising the ISO14001 (Environmental Management System) external audit timetable.

2.5 The other item currently on the forward plan for December 2021 Board meeting is 'Draft Business Plan', and this would need to be considered at the January meeting instead. The Executive Team do not foresee this causing any issues, indeed the Board did not see the draft Business Plan for the current year until February, with no detrimental impact on timelines for its onward approval by our Shareholders.

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Appendices	Appendix 1 – Board meeting schedules, current and proposed

Appendix 1 – Board and Committee meeting schedules – Current and proposed

Current Schedule - 10 meetings per year

January	February	March	April	May	June	July	August	September	October	November	December
	Board		Board		Board		Board		Board		Board
		RAC			RAC				RAC		
						G&N					

Proposed Schedule - 9 meetings per year

January	February	March	April	May	June	July	August	September	October	November	December
	Board		Board		Board			Board		Board	
		RAC							RAC		
					Strategy Day	G&N					

Board to meet Jan 2022 to comply with three month rule – Feb thereafter