

<b>Meeting Subject:</b>			
FMPG Board Meeting			
<b>Location:</b>	Ferguson Marine (Port Glasgow)		
<b>Date:</b>	Thursday 24 <sup>th</sup> March 2022	<b>Time:</b>	11:00
<b>Chairperson:</b>	Alistair Mackenzie		
<b>Participants:</b>	<p><u>Non-Executive Members</u></p> <p>Alistair Mackenzie, Chairman (AMac)          John Hudson, Non-Executive Director (JH)          Alan Johnston, Non-Executive Director (AJ)          Robert Mackenzie, Non-Executive Director (RMac)          Alison Mitchell, Non-Executive Director (AM)</p> <p><u>Executive Members</u></p> <p>David Tydeman, CEO (DT)          George Crookston, CFO (GC)</p> <p><u>In Attendance</u></p> <p>David Palmer, Strategic Industrial Assets Division (DP)</p> <p>Partial attendance for specific agenda items:</p> <p>Mark Burrows, Head of Health and Safety (MB)          David Henderson, Compliance Director (DH)          Carol Anne, HR Director (CAK)</p>		

<b>Item</b>	<b>Minutes</b>
1	<p><b><u>Apologies</u></b></p> <p>Stuart Smith, Non-Executive Director.</p> <p>Alex Logan and John McMunagle, Trade Union Representatives – (unavailable due attendance at National Trade Union event – their submission to that event was shared for Board’s awareness).</p> <p>AMac noted that it had been a challenging few days with coverage arising from the re-based programme and publication of Audit Scotland report and reinforced that it was essential that Board and Management maintained a critical focus on delivering 801 and 802 against the revised programme.</p> <p>AMac also proposed that the scheduled April 28 meeting would be used to run a lessons learned session.</p>
2	<p><b><u>Declarations of Interest/Conflict</u></b></p> <p>No declarations of interest / conflict were given.</p>

3	<p><b><u>Engagement with Workforce/Trades Union Representatives</u></b> As noted at 1. Above.</p>
4	<p><b><u>Health, Safety, Environment &amp; Security</u></b> MB joined the meeting to present his initial and current view of HSE status at the yard.</p> <p>RMac noted that initial status had also been discussed at the ARC and members had noted the areas for improvement presented.</p> <p>AMac noted a desire to understand and match current status against previously reported progress and introduction of various initiatives.</p> <p>AMac asked if the ‘dashboard’ provided by the previous HSE Director was incorrect? MB noted in his opinion the heat map that was presented to the Board was inaccurate in some areas and confirmed that he was working on and would produce an updated HSE status dashboard.</p> <p>MB shared a sample dashboard (w.i.p.) and noted it gives a clear and visual snapshot of data. It was noted that out of certification rigging/lifting equipment has been appropriately quarantined. GC advised a site survey was previously conducted by Chubb for insurance purposes and he is chasing the information to look over with MB. Chubb confirmed it was a satisfactory visit.</p> <p>MB advised confined space work is currently suspended whilst suitable ERT arrangements are confirmed in place. ERT equipment has been calibrated and is ready to use. DT advised an external ERT will be used for a brief time to support the further training of in-house ERT.</p> <p>MB noted that work was in hand to agree a service agreement for portable fire extinguishers. MB likewise confirmed work in hand to update yard fire plan and to provide training for fire wardens (22 April).</p> <p>AJ asked if the Scottish Fire and Rescue Service were invited to complete a safety visit on the yard. MB advised this had not been done recently but he will consider that going forward. A visit from the Fire Department has now been arranged for June.</p> <p>JH asked MB if the yard was safe to operate? MB confirmed that the yard was safe to operate.</p> <p>The Board confirmed support for the action plan in place and directed that an independent audit should be undertaken in the next 3 months.</p> <p>DH/MB left the meeting.</p>
5	<p><b><u>CEO’s Report</u></b> No material changes since issue.</p> <p>JH commented on the percentage of staff absence and asked if there was an issue with morale? DT noted that some of the absence is still covid related but agreed it was a high percentage (13%).</p>

	<p>Ukraine - DT advised we are not currently seeing an impact in supply chain however this could affect future orders.</p> <p><b>Functional Updates</b> No material changes since issues.</p> <p>No further comments.</p> <p><b>801/802 Monthly Report Pack and Programme Update</b> The overall programme was shared and the update to the NZET Committee had been distributed pre-meeting. The new programme is now confirmed.</p> <p>JH expressed concern in respect of the 802 programme and in relation to the work still to be progressed on 802. He added that in order to avoid repeat of previous failures it was essential to have fit for purpose processes to deliver improved performance.</p> <p>AJ asked if we have completed the work required to launch 802 including peer review of launch calculations etc? The Management team will pick up associated checks.</p> <p>DT advised we are now working in close collaboration with CMAL including the formal secondment of one of CMAL’s senior team into the FMPG operation resulting in a more integrated pooling of knowledge/experience. DT noted he has confidence in the new programme.</p> <p>DP confirmed that CMAL have signed up to the new programme.</p> <p>RMac noted the Board need to be confident we are delivering against the timetable we have agreed.</p>
6	<p><b><u>Approval of Minutes of Board Meeting</u></b> No amendments.</p>
7	<p><b><u>Finance Update – Management Information Update Including Impact from Rebaseline.</u></b> GC confirmed that there was no notable change since issuing the pre read.</p> <p>No further comments were made.</p>
8	<p><b><u>Minute of the Audit and Risk Committee held 18<sup>th</sup> January 2022</u></b> RMac gave an update on the last ARC Meeting.</p> <p>Progress continues to be made on the development of a ‘Commercial Bidding’ procedure.</p> <p>Risk management process had also been agreed. Putting an internal audit function in place remains a challenge due to budget constraints. DT/AMac will raise this issue with SG.</p> <p>Cyber protection – protection is in place, but heightened capability would be desired.</p> <p>Self-evaluation for ARC is complete.</p>

<p>9</p>	<p><b><u>Update on Commercial Opportunities</u></b></p> <p>DT advised that FMPG has been advised that it is preferred bidder for an OPVs requirement for an overseas Government State. The requirement in question would be a 30-month programme.</p> <p>JH raised the matter of the National Shipbuilding Strategy and the opportunity for FMPG to change/shape the marketing strategy and secure future bids</p> <p>DT advised we are currently looking at what the core, future staffing structure would look like for the yard.</p> <p>DMcV is reviewing a number of project opportunities.</p>
<p>10</p>	<p><b><u>Update on Commercial Proposals Procedure</u></b></p> <p>Procedure is now in draft and can be approved at the next board meeting.</p>
<p>11</p>	<p><b><u>Update on Workforce Communications/Engagement</u></b></p> <p>CAK joined the meeting and shared a workforce summary paper.</p> <p>CAK discussed the knowledge transfer plans from our retiring workforce to our apprentices.</p> <p>CAK left the meeting.</p>
<p>12</p>	<p><b><u>AOCB</u></b></p> <p>AMac confirmed the April ‘deep dive’ meeting will include a lessons learned, Audit Scotland Report and an update on progress against programme. The meeting will take place via Teams.</p> <p>It was noted that this was JH’s last official FMPG meeting and AMac’s last formal Board meeting. The meeting thanked them both for their input to the business.</p>