

NORTH HIGHLAND REGENERATION FUND

MINUTES of the **17th** Board Meeting of the above named Company held at the NDA offices, Forss Business Park, Forss on 14 November 2008 at 13.00

PRESENT: John Thurso, MP (Chairman) (from agenda item 6)
Neil Robertson, New Park Management Director
Randall Bargelt, NDA Director
David Flear, Highland Council

IN ATTENDANCE: Elizabeth Stephenson, NDA Legal Team and Co., Secretary.

APOLOGIES: Prof. John Fyfe, Independent
Derrick Milnes, Dounreay Stakeholder Group

1 CONFLICT OF INTEREST

The Board received training from Brodies solicitors on directors' duties under the Companies Act 2006, including conflict of interest, which was thought to be very useful. A number of conflicts of interest were declared during the meeting.

The conflict of interest policy was reviewed and approved by the Board. It was agreed the Board would have a robust discussion on conflicts of interest at each Board.

The directors reminded themselves of their duties as company directors under the Companies Act 2006. The directors reminded themselves of need to act in accordance with those duties when making decisions in this meeting and to ensure that they take into account on each occasion all relevant factors.

2 MINUTES OF THE PREVIOUS MEETING

The minutes of the Board Meeting and the minutes of the AGM held on 11 October 2008 were agreed.

3 MATTERS AND ACTIONS ARISING

The updated Action List is attached.

Matters Arising:

RB added an action to call John Fyfe to specifically invite him to the next Board meeting (or provide the option to dial or videoconference in)

Action 17.1: RB to invite John Fyfe to next Board meeting

The Board discussed further that Ean Sinclair would be a good fit for the Board and agreed to extend a formal invitation to Mr Sinclair to join the Board.

4 FINANCE

NR updated the Board on the current financial situation of the Fund and provided the latest financial statements. The cashflow is such that the Fund is nearly at a sustainable level.

NR noted he has spoken to those companies in receipt of NHRF loans to discuss the impact of the current economic situation on them.

Action 17.2: NR to review those companies in receipt of loans with a view to their risk in the current economic climate and consider whether any need additional capital or further support. NR also to consider whether there are any risks for the Fund.

5 REVIEW OF PROJECTS AND ENQUIRIES

NR noted an upsurge in the number of new enquiries, possibly due to the publicity of the AGM. RB noted he had also been raising awareness of the Fund at stakeholder events.

NR provided a list of current applications. The Board noted that a subsidiary company of a company one of the directors is involved with had enquired about a loan. The Board felt this was a potential conflict of interest and agreed not to go any further with the enquiry.

One company at the final application development stage is looking to purchase a site on the Forss Business Park. There could be a perceived conflict of interest for NR as New Park own the offices. The Board considered this and agreed NR would take no part in the decision making process; he would simply present the facts to the Board rather than make any recommendation.

6 CONFIRMATION OF APPROVED PROJECTS

There were no projects to be approved.

7 RISK MANAGEMENT

The Board discussed whether, in the current economic climate, the loan agreement should be amended to include a minimum interest rate. It was agreed that the current interest rate provided by the Fund should be subject to a minimum of 3%.

Action 17.3: NR to amend loan agreement to add minimum interest rate

The Board then discussed whether the goals of the Fund should be expanded to assist existing businesses. Difficulties included identifying businesses in need, obtaining sufficient financial detail needed for decision-making and ensuring any problems facing the business are able to be overcome.

Action 17.4: NR to add line to website stating the Fund is also considering assisting existing businesses.

Action 17.5: RB to speak to the NDA regarding the Fund considering assisting existing businesses.

8 AOB

There was no other business and the meeting was closed. The next meeting is to take place at the NDA offices at Forss Business & Technology Park at 09.30 on 9 January 2009.