

**HIGHLAND COMMUNITY BROADBAND COMMUNITY INTEREST COMPANY**  
**Registered in Scotland no. SC545398**  
**Registered office at Radio House, Mill Street, Ullapool, Ross-shire IV26 2UN**

**Minutes of a meeting of the directors**  
**on 5th December 2016 at 6pm at Radio House**

Present: Duncan Cook (DC), Nick Lampen (NL), Kim Tunsley (KT), Philip Wild (PW) & Susan Agnew (SA).

1. Quorum and New Directors

It was noted that a quorum (2) was present. The directors agreed that Mr Lampen would chair the meeting. Mr Wild and Mrs Agnew had been co-opted as directors by the original directors, with effect from 27 October for Mr Wild and from 9 November for Mrs Agnew, and their details had been filed at Companies House.

2. Incorporation

As this was the first meeting of all 5 directors, it was noted that the Company had been incorporated in Scotland on 14 September 2016 as a community interest company with registered number SC545398, with its registered office originally at UCT Hub, 28 Argyle Street, Ullapool. Messrs Cook, Lampen & Tunsley were the first directors and subscriber members of the Company. The purpose of the Company was to build and operate a community owned Wi-Fi broadband system around and about the Ullapool area, with Ullapool Community Trust the specified organisation for receipt of surplus assets on a winding up.

It was noted the first financial year end would be 30 September 2017.

The Directors noted the contents of the Articles of Association, that is the Company's constitution, and which governed their powers and noted that these needed to be revised wholesale to be suitable for a CIC with a large membership and to match the terms offered to Wi-Fi subscribers as part of the internet subscription and fundraising drive noted below. The adoption of the necessary new Articles of Association is dealt with below at item 4.

It was noted that the Company was the owner of the website [www.hcbroadband.co.uk](http://www.hcbroadband.co.uk), FaceBook page "Highland Community Broadband" and email account, which the directors had established prior to the incorporation of the Company.

It was resolved to obtain a Company Register book but to keep an electronic list of members on the InformDirect web platform, and not to have a company seal. These records would be kept by the Company Secretary (Mr Lampen) and therefore would be available for inspection at the registered office.

The Company had since agreed with Loch Broom FM to take space at its premises at Radio House from 1<sup>st</sup> October 2016 and the written terms for this were produced to the Board and approved. It was also approved that Radio House would be the new registered office.

### 3 Business Plan and Fundraising

The directors formally adopted the Business Plan, and subscriber terms and conditions, tariffs and fair usage policy (which were signed by the Chair of the meeting for identification), which had been used for the purpose of the internet subscription and fundraising which had run for 30 days to 30 September 2016, with an extension to 14 October for residents of Elphin, Knockan & Ledmore.

That exercise had achieved the target of £75,000. The actual amount raised at 30 September was £95,355 from 222 subscribers covering 243 premises. Therefore the then directors had resolved to proceed with the plan of action laid down in the Business Plan and cash the cheques and payments received and this decision was confirmed by the Board today. The necessary OFCOM licence for 5.8Ghz was obtained on 12 October. It was expected the first phase of the network would have been built and put into operation by early 2017.

### 4 New Articles of Association

As noted above, new Articles of Association were needed to enable the Company to satisfy its promises, especially the issue of shares to subscribers to the Wi-Fi service. Mr Simon Jeffreys, a recently retired solicitor had as a volunteer adapted the CIC Regulator's template for "private companies limited by shares with a large membership" to match the promises made as part of the internet campaign and these were produced to the meeting and carefully considered by the Directors. The Directors also considered the explanatory note by Mr Jeffreys which accompanies them, prepared using much material from the CIC Regulators website.

In the result, the directors agreed they met the requirement of the Company and that they should therefore be adopted by the current 3 shareholders (Messrs Cook, Lampen and Tunsley). Therefore the directors resolved to call an EGM to adopt the new Articles and the 3 shareholders agreed that the EGM could take place immediately and the Board therefore adjourned briefly to enable the EGM to take place.

When the Board meeting re-convened, it was reported that the New Articles had been adopted in place of the original ones at the EGM, and the requisite form for confirming their adoption to Companies House was completed and the Secretary was instructed to send that, with a copy of the new Articles, to Companies House in Edinburgh ASAP. It was also resolved a copy of the new Articles should be placed on the Company's website for shareholders to see.

### 5 Banking

The directors had initially used the bank account of Ullapool Community Trust, the sponsor of the Company, pending the opening of the Company's own current accounts with Bank of Scotland at its Ullapool branch. It was noted that the directors had agreed the necessary BoS account opening and operating mandates (copies of which were produced to the meeting and signed by the Chair for identification) and which would permit the Company to use electronic banking. The mandate gave authority as follows: any single director could authorise any amount. This authorisation would be kept under review in light of the operation of the business.

The Company also had its own PayPal, Gocardless and Stripe account for online payments.

## 6 Membership

The directors noted the spreadsheet produced to the meeting (and signed by the Chair for identification) giving the names and addresses of the 222 Founder Subscribers who were now also members of the Company following the adoption of the new Articles. The Secretary was directed to send each member a share certificate with a suitable covering letter. The form of share certificate would be that produced by InformDirect, where the membership records would be kept. It was noted and agreed that Mr Jeffrey who had volunteered, would deal with these tasks.

Given the number of members and that under the Articles each member had one vote, it was noted there would be no Person with Significant Control over the Company for the purposes of the relevant legislation and returns to Companies House.

## 7 Directors and Meetings and communication with Members

The directors noted that the quorum for directors meetings was 2 directors and that the new Articles permitted the directors to hold valid meetings even where the directors were not physically present together in the same place, provided all the directors could hear each other, so meetings could take place by for example conference call or Skype (see Article 15). The directors were also empowered to pass written resolutions without a meeting e.g. by email (see Article 19) provided all the current directors agreed the resolution in writing. Otherwise, decisions could be taken by majority at a meeting and the Chair would have a casting vote if there was equality (Article 18). The directors also carefully noted the rules in Articles 20-22 about Conflicts of Interest.

The directors considered that it would not currently be appropriate to co-opt further persons to the Board (another 2 could be co-opted), however this would be kept as an option and co-options would be made where it seemed appropriate. The directors noted that their own terms of office would expire at the first AGM, which would have to be held by mid- 2018 at the latest and that would certainly be an appropriate time for the members to decide the composition of the Board going forward, as the first phase network should then have been built and in full operation.

The directors however decided that they would publish their minutes and written resolutions on the Company's website, with provision for redaction of any sensitive matters, to keep members and others informed and to aid transparency.

## 8 Staffing and Insurance and premises and business equipment

a) The directors noted that several local people had already come forward and were volunteering their services to the Company. It was resolved that the out of pocket expenses of such persons could be authorised by any single director against a signed expense claim form.

b) Messrs Cook, Lampen and Tunsley were to provide their services to the Company in relation to the design, build and test phase of the Wi-Fi network as per the Business Plan @ £25 an hour each. Mr Jeffrey had prepared basic self-employed contracts to document this and a short explanatory note and these were tabled. At this point, Messrs Cook, Lampen and Tunsley withdrew from the meeting as they had conflicts of interest in this subject. After careful consideration of the relevant parts of the Business Plan, noting the arrangements there for deferral of half of their earnings, the terms of the contracts and in particular the indemnity in favour of the Company from the 3 for PAYE income tax and NICS if HM Revenue & Customs deemed the 3 to be subject to PAYE, the

two non-conflicted directors (Wild and Agnew) approved the same. The 3 other directors then re-joined the meeting and their contracts were duly signed.

b) It was resolved by the Directors as prudent for the Company to take out insurance against Employers' Liability as required by law for employers with employees (even though the Company had only volunteers and self-employed contractors), as well as public liability insurance. The Secretary was to obtain quotes for this for the Board to consider ASAP. Once the Company had assets in the form of Wi-Fi equipment, etc., this would also need to be insured, so the Secretary was also directed to obtain quotes for this.

c) Presently the Company would operate from the registered office, and the directors would use their own personal computers to run the business. The directors accepted that the relevant data would belong to the Company and that the Company would need to adopt appropriate procedures for security of data in line with data protection law. Mr Jeffreys would be asked to prepare this for the Board to adopt.

d) In accordance with the Business Plan, it was envisaged that paid employees would be needed when the network was up and running. Also, there would hopefully come a time when office and/or other equipment (including perhaps computers, appropriate software and a small truck or van) would be required.

e) The Board approved the engagement of Angie d'Agostino as book-keeper on a PAYE basis @ £12 per hour

#### 9 External Accountants and HM Revenue & Customs

It was resolved to consider the appointment of outside accountants in due course.

The Secretary was directed to register the Company with HMRC as a business. It was noted the Company had registered for VAT and the number was 25354224.

#### 10 Backhaul Connection

It was noted that installation the Backhaul connection was now scheduled for the 28<sup>th</sup> March, two months later than previously expected. The Directors agreed to inform the Founder Subscribers as soon as possible via email and in the Ullapool News and explain that although CPE installation would continue as scheduled we would use our existing Broadband connection for those subscribers who had no, unreliable or a connection that was less than 1Mbps. All other subscribers should continue to use their existing connection until the backhaul was installed. It was agreed that we would not start charging for until the 1Gbps backhaul was installed.

#### 11. Initial Speed and Contention Rates

Due to the backhaul delay these will be slower than expected but by the time that backhaul is installed we will have been able to assess network traffic and adjust accordingly.

## 12. Transmission Sites

Three initial sites have been agreed with the Landowners at Morefield Brae, Altnaharrie and Leckmelm. Nick Lampen is to arrange the Lease Documents and Maps and to write a draft letter of agreement for Lucy Beattie at Leckmelm.

The directors agree that:

Landowners would receive a 50% discount on a standard residential package per transmission site

Landowners would receive a 50% discount for supplying power per transmission site.

Landowners would receive a 100% discount for supplying both site and power pro rata.

## 13. Telemetry Package

Potential customers have enquired about a telemetry package for the relay of data for renewable power schemes. The directors agreed that installation would be £100 and a monthly charge of £10 (including VAT)

## 14. Static IP Addresses

HCB currently own IP4 6 addresses which are allocated to our network use. HCB can obtain an additional 255 addresses for £750 - £1000. The directors agreed to authorise spending this. They further agreed that if subscribers required a dedicated IP4 address the monthly charge would be £5 (including VAT)

## 15. UKWISP Membership

The UK WISP association has asked HCB to become members for an annual charge of £250. The directors felt this was premature until they had a network up and running and the backhaul connected(!) but would review membership in April 2017

## 16. AOB

KT recommended that we had business cards printed and branding applied to both his and DC's vans to publicise HCB and reassure the community when they see unknown vans parked in strange places! The directors agreed to this spending.

## 17. Next Meeting

Monday 9<sup>th</sup> January at 12PM

There being no other business, the Chair closed the meeting at 8.15 pm.

Signed .....

Chair on 5<sup>th</sup> December 2016