

Minutes of the Extraordinary General Meeting of the UKPHR Board held on Wednesday 26th
March 2014 at Chadwick Court, 15, Hatfields, London SE1 8DJ

Present: Bryan Stoten (Chair), Fiona Harris, Jeremy Hawker, Linda Jones, Patrick Saunders. Also in attendance David Kidney, UKPHR CEO and David Allen, FPH CEO.

Apologies: Claire Barley, Andrew Corbett-Nolan, Claire Cotter, Amanda Fletcher, Selena Gray, Amy Nicholas, Richard Parish, Nairn Wilson and Sue Lloyd.

ACTION1. Welcome

The Chair welcomed everyone to the meeting. Apologies for absence were received as listed in these minutes. There were no declarations of interest except that David Kidney declared an interest as an employee likely to be affected by decisions under consideration at this meeting.

2. UKPHR's business strategy

The Chair introduced this item. UKPHR is likely to end the current 2013-14 financial year showing a deficit in excess of £100k, which will be met out of reserves. The purpose of the meeting is to consider a strategy for future financial years that will avert further such deficits and put UKPHR's finances on a sustainable basis.

David Allen was invited to speak to Directors and he made a presentation based on the paper he had submitted to the Board the week before. He also referred to the 1998 Tri-partite agreement, the 2005 Memorandum of Understanding, FPH's draft agreement and FPH's barrister's written opinion. He said that FPH wishes to reach an agreement with UKPHR which enables UKPHR to restructure its business and enables both parties to manage risk. He proposed a timetable for consultation with affected staff and that FPH should take the lead in this action but be supported throughout by UKPHR.

A number of questions were asked by Directors to which David Allen responded. After further discussion, David Allen accepted that an agreement between FPH and UKPHR should omit the current provisions relating to data protection and as much of the provision relating to intellectual property as UKPHR wishes (there was some discussion as to whether 10.1 to 10.5 of the draft agreement was acceptable). It was also agreed that both parties are willing to enter into a Memorandum of Understanding to guide their future working relationship.

At this stage, David Allen withdrew from the meeting.

The Board resolved that:

- (1) Measures shall immediately be put in place to reduce annual outgoings by in excess of £100,000 per annum through relocation of office to Birmingham, reduction in labour costs, a new, more efficient IT system and new outsourcing arrangements for financial management and accounting and payroll;

BS/DK

(2) David Allen's offer for FPH to lead in the redundancy process affecting all four employees who currently work at Chadwick Court between now and the end May 2014 be accepted and UKPHR support the steps to be taken by FPH to give effect to this offer. UKPHR is willing for FPH to offer voluntary redundancy on the basis of an additional enhanced payment of 8 weeks pay per employee provided that a compromise agreement is signed by each employee who accepts voluntary redundancy on these terms. In addition, notice shall be given to FPH by UKPHR to terminate any secondment arrangement that exists in relation to the four employees (or any of them) in accordance with legal advice received from Bevan Brittan;

BS/DK

(3) Notice shall immediately be given to CIEH by UKPHR terminating (a) the rental of office space at Chadwick Court and (b) financial management and accounting services to take effect by end May 2014 or as soon after that date as is legally possible;

DK

(4) Alongside the redundancy process, UKPHR shall seek to recruit two employees for two new posts in accordance with contracts of employment, job specifications and job descriptions that have been approved by the remuneration committee and subject to this documentation being sent to all Directors for approval and sent also to Bevan Brittan for comment, and any of the four employees who currently work at Chadwick Court may apply, with a view to UKPHR employing two employees by the end of May 2014 or as soon as possible after that date;

BS/DK

(5) Alongside the redundancy process, UKPHR shall procure a new IT system suitable for the future purposes of the business with a view to this IT system being in place by the end of May 2014 or as soon as possible after that date;

BS/DK

(6) UKPHR shall enter into a lease of the office suite 18A McLaren Building, Birmingham for an initial term of 5 years with an option of a break after 3 years on the terms as to rent and service charges negotiated by the Chair (as reported by the Chair to the meeting) with a start date of mid-May 2014 if possible.

BS/DK

3. Communications

It was agreed that there is no action to take at this stage but that in due course there will be a need for proactive communication of the steps being taken by UKPHR to secure its long-term future.

4. Urgent correspondence

In response to a letter received from Lloyds Bank it was resolved that Lillian Somerville be removed as a signatory, Bryan Stoten and Linda Jones be added as signatories and David Neil Kidney be added as a limited power signatory to all accounts in the name of the Company at Lloyds Bank.

5. Date of next meeting

The next meeting of the Board is due to be held on 22nd April 2014. The CEO was asked to change this date if necessary to fit the timetable of FPH in respect of redundancy process.