

Board Extensions Policy and Procedure

1. Introduction

- 1.1. This Policy and Procedure shall be used to consider an extension to the term of office for Directors to the Board of Management of Shetland UHI.
- 1.2. The provisions for such an extension for each type of Director shall vary, due to the content of the relevant clauses of the Articles of Association for Shetland UHI.
- 1.3. The procedure for extension consideration shall broadly be the same for each type of Director.
- 1.4. The Articles of Association establish that the period of 'one year' starts on the appointment date of any Director and runs until either:
 - 1.4.1.A Director's first Annual General Meeting, if such an Annual General Meeting be more than six months after their appointment date, or
 - 1.4.2.A Director's second Annual General Meeting, if their first Annual General Meeting falls within than six months of their appointment date.
- 1.5. On vesting date (1st August 2021), Independent Directors who were Transition Board Directors of Shetland UHI, were automatically appointed Independent Directors to the Board of Management. Their start dates, as members of the Transition Board, date back to as early as July 2020.
- 1.6. As of June 2023, Independent Directors who were Transition Board Directors of Shetland UHI, constituted two thirds of all Independent Directors. As a result, Clause 5.1.1 and Clause 5.1.2 will be triggered at every even numbered Annual General Meeting, while they remain in office. To assist in the management of this, Clause 5.4 has been established.

2. Procedure for the Reappointment of Directors

- 2.1. Unless otherwise advised by the Scottish Funding Council, the Annual General Meeting shall be held no later than December in each calendar Year.
- 2.2. Three months prior to an Annual General Meeting, the Board Secretary shall write to each:
 - 2.2.1. Student Director, and
 - 2.2.2. Staff Director (if Clause 3.1.1 applies), and
 - 2.2.3. Independent Director (where Clause 5.1.1, or Clause 5.1.2, or Clause 5.1.4 applies).
- 2.3. When writing to the Directors to whom Clause 2.2 applies, the Board Secretary shall remind such Directors of:
 - 2.3.1. The date of the Annual General Meeting,
 - 2.3.2. The implications such a date has on their term of office,
 - 2.3.3. An invitation for them to indicate their willingness to be considered for a further single term (subject to the limits on membership of the Board), or a half term if Clause 5.1.1 and Clause 5.1.2 applies
- 2.4. When indicating a willingness to be considered for re-appointment, the Director shall complete a self-appraisal pro-forma which includes:
 - 2.4.1. A clear statement of willingness to be reappointed,
 - 2.4.2. Details of posts held,
 - 2.4.3. Attendance record at Board/Committee meetings,

- 2.4.4. Any other relevant information,
- 2.4.5. An indication to undertake other duties as required,
- 2.4.6. An indication to be available for consultation and advice and take an active interest in Shetland UHI,
- 2.4.7. A willingness to remain in sympathy with and generally support the strategy and policies of the Board.
- 2.4.8. An indication of their willingness to be considered, if the opportunity arises, for any of the following roles:
 - 2.4.8.1. Chair of the Board of Management,
 - 2.4.8.2. Vice-Chair of the Board of Management,
 - 2.4.8.3. Senior Independent Member of the Board of Management,
 - 2.4.8.4. Chair of a Committee of the Board of Management,
 - 2.4.8.5. Vice Chair of a Committee of the Board of Management.

2.5 Role of Search and Nominations Committee

- 2.5.1 With regards to Clause 2.4.4, Search and Nominations Committee shall set out to the Board Secretary what such information it requires to consider, including but not limited to:
 - 2.5.1.1 An appropriate skills matrix to guide it in selecting and evaluating extension applications, of both the Board of Management as whole, and individual Directors,
 - 2.5.1.2 Persons upon its register of suitable candidates for future reference
- 2.5.2 The self-appraisal forms will be provided as supporting evidence to enable the Search and Nominations Committee to review and consider the request for extension before making a recommendation to the Board of Management of Shetland UHI to:
 - 2.5.2.1 Accept the request of an extension of the Director to serve on the Board of Management,
 - 2.5.2.2 Decline the request of an extension of the Director to serve on the Board of Management.

2.6 At the next meeting of the Board of Management that falls after the Annual General Meeting, the Board of Management shall determine whether to:

- 2.6.1 Accept the recommendation of Search and Nominations Committee on whether to extend the Director's term of office on the Board of Management
- 2.6.2 Decline the recommendation of Search and Nominations Committee on whether to extend the Director's term of office on the Board of Management

2.7 For the avoidance of doubt the Board of Management can chose to:

- 2.7.1 Extend a Director's term of office, if a Director has made the extension request while Search and Nominations Committee has recommended to the Board of Management that the request be declined
- 2.7.2 Refuse to extend a Director's term of office, if a Director has made the extension request and Search and Nominations Committee has recommended to the Board of Management the request be accepted.

2.8 During any meeting to which a Director's extension request, or re-appointment is being discussed, the Director(s) in question, shall withdraw from the meeting during the discussion of their extension request and/or re-appointment.

- 2.9 The Vice-Chair of the Board of Management, or a nominated Chair of a Committee of the Board of Management shall serve as chair of any agenda item about any extension request or re-appointment discussion of the Chair of the Board of Management. The Chair of the Board of Management will withdraw from the meeting for such an agenda item.

3. Specific Provisions related to Staff Directors

- 3.1. The Articles of Association for Shetland UHI state the following:
- 3.1.1. A Staff Director shall continue to hold office as a director of the company until the conclusion of the second annual general meeting which follows the date on which she/he was appointed, and thus will also cease to be a member. A Staff Director shall be eligible for re-appointment; if reappointed, shall hold office until the conclusion of the fourth annual general meeting which follows.
 - 3.1.2. A Staff Director who has held office for a period of four years shall automatically vacate office at the expiry of that four-year period and shall not be eligible to hold office again as a Staff Director until a period of one year has elapsed.
 - 3.1.3. The Directors shall, in advance of the annual general meetings referred to (and allowing a reasonable time for completion of the election process) arrange for a ballot of employees of the company to elect the individuals to be appointed or reappointed as the Staff Director; the rules relating to the election process shall be described in the Standing Orders issued by Directors from time to time.
 - 3.1.4. The period on which an individual becomes a Staff Director and the annual general meeting which follows shall be deemed to be a period of one year unless it is of less than six months' duration, in which case it will be disregarded.
 - 3.1.5. If a Staff Director ceases to hold office as a director and becomes a Staff Director once more within a period of less than six months, she/he will be deemed to have held office as Staff Director continuously.
 - 3.1.6. In the event of any vacancy occurring at any time in the office of Staff Director, the Directors shall, as soon as is reasonably practicable, arrange for a ballot of the employees of the company to elect individual(s) to be appointed as the Staff Director(s) to fill the vacancy.
- 3.2 For any recruitment of Staff Directors after the first Annual General Meeting of Shetland UHI, the following provisions shall apply:
- 3.2.1 In advance of the second Annual General Meeting to which Staff Directors were last appointed, or when such a vacancy arises, Search and Nominations Committee shall organise and set out the rules to which an election for Staff Directors.
 - 3.2.2 Clause 3.1 above details the eligibility for re-appointment of such Staff Directors.
- 3.3 The following provisions for Staff Directors appointed prior to the first Annual General Meeting of Shetland UHI, shall apply.
- 3.3.1 Their term of office shall end at the conclusion of the second Annual General Meeting of Shetland UHI. Such Staff Directors are eligible to stand for re-election.

3.3.2 Should such Staff Directors be re-elected, and therefore eligible to be re-appointed by the Board of Management as Staff Directors, they shall vacate the Office of Staff Director no later than the fourth Annual General Meeting of Shetland UHI.

3.4 Clause 2 shall be administered in respect to all Staff Directors when re-appointment timelines are triggered.

4. Specific Provisions related to Student Directors

4.1. The Articles of Association for Shetland UHI state the following:

4.1.1.A Student Director shall continue to hold office as a director of the company until the conclusion of the annual general meeting which follows the date on which she/he was appointed and will thus also cease to be a member. A Student Director shall be eligible for re-appointment.

4.1.2.A Student Director who has held office for a period of three years shall automatically vacate office at the expiry of that three-year period and shall not be eligible to hold office again as a Student Director until a period of one year has elapsed.

4.1.3.The period on which an individual becomes a Student Director and the annual general meeting which follows shall be deemed to be a period of one year unless it is of less than six months' duration, in which case it will be disregarded.

4.1.4.If a Student Director ceases to hold office as a director and becomes a Student Director once more within a period of less than six months, she/he will be deemed to have held office as Student Director continuously.

4.1.5.The Directors shall, in advance of the annual general meetings referred to (and allowing a reasonable time for completion of the election process) consult with HISA to seek the individual to be appointed or reappointed as the Student Director.

4.1.6.In the event of any vacancy occurring at any time in the office of Student Director, the Directors shall, as soon as is reasonably practicable, consult with HISA to seek the individual to be appointed to fill the vacancy.

4.2. The following special provisions for Student Directors appointed prior to the first Annual General Meeting of Shetland UHI, shall apply.

4.2.1.Such Student Directors shall be eligible for re-appointment at the first meeting of the Board of Management of Shetland UHI after the second Annual General Meeting of Shetland UHI. This shall serve as their first opportunity for re-appointment.

4.2.2.Such Student Directors shall be eligible for re-appointment at the first meeting of the Board of Management of Shetland UHI after the third Annual General Meeting.

4.3. All Student Directors appointed to the Board of Management of Shetland UHI, are eligible for reappointment at the next meeting of the Board of Management that falls after every Annual General Meetings of Shetland UHI, up until three calendar years has passed since their initial appointment. At which point they must vacate the role of Student Director.

4.4. One 'year' is the time between a Student Director's initial appointment, and the next Annual General Meeting of Shetland UHI that is more than 6 months after their initial appointment.

4.5. Clause 2 shall be administered in respect to Student Directors.

5. Specific Provisions related to Independent Directors

- 5.1. The Articles of Association for Shetland UHI state the following:
 - 5.1.1. At the conclusion of every second annual general meeting, one third of the Independent Directors shall vacate office as directors (and will thus cease to become members).
 - 5.1.2. The Independent Directors to vacate office shall be those who have been longest in office as directors (disregarding (a) any period prior to the adoption of these articles; (b) any period prior to any occasion on which she/he previously vacated office and (c) any period which preceded a gap of six months or more when she/he was not in office as a director); if two or more Independent Directors have been in office for the same period (calculated on that basis), the question of which of them is to retire shall be determined by random method.
 - 5.1.3. Immediately following each annual general meeting at which an Independent Director vacates office, the directors may re-appoint any person who, as an Independent Director, vacated office under the preceding article at the conclusion of that annual general meeting; the directors may alternatively appoint someone in her/his place or resolve not to fill the vacancy.
 - 5.1.4. An Independent Director who has held office for a period of 4 years shall automatically vacate office at the expiry of that 4-year period. An Independent Director shall be eligible for re-appointment, if reappointed shall hold office for a maximum of 8 years. On the expiry of the maximum period, the Independent Director shall not be eligible to hold office again until a period of 1 year has elapsed.
 - 5.1.5. Provisions above relating to the interpretation of the period of 1 year shall apply to Independent Directors as it does to Staff Directors and Student Directors.
 - 5.1.6. No Independent Director shall serve concurrently as an Independent Director of the Court of UHI. An Independent Director may be nominated to serve on the Court of UHI as academic partner chair.
 - 5.1.7. The directors shall be guided by the Nominations Committee (as set out in article 105) of the Board in relation to the nomination or election of all other individuals for appointment as Independent Directors.
- 5.2. Where Clause 5.1.1 and Clause 5.1.2 applies, if one-third of the Independent Directors does not produce a whole number, any residual decimal or fraction shall be rounded down.
- 5.3. For Independent Directors appointed after vesting date (1st August 2021), the following provisions shall apply:
 - 5.3.1. Clause 2 shall be carried out in advance of the even numbered Annual General Meeting to which falls prior to their renewal date.
 - 5.3.2. Such Independent Directors may be re-appointed to serve until the close of their 8th Annual General Meeting, at the Board of Management meeting that follows an even numbered Annual General Meeting, where Clause 2 has been followed, and where either:
 - 5.3.2.1. Clause 5.1.1 and Clause 5.1.2 applies to them, or
 - 5.3.2.2. They are approaching their 4th Annual General Meeting

- 5.3.3 Such Independent Directors who were subsequently re-appointed, shall be eligible for further re-appointment at their 6th Annual General Meeting if Clause 5.1.1 and Clause 5.1.2 applies to them.

5.4 Additional procedures related to Independent Directors who were previously Transition Board Directors to be administered 3 months prior to the 2nd Annual General Meeting of Shetland UHI

- 5.4.1 Clause 2 shall be undertaken for such Independent Directors as to whom Clause 5.1.1 and Clause 5.1.2 applies to, prior to the second Annual General Meeting of Shetland UHI.
- 5.4.2 Independent Directors to which Clause 5.4.1 applies, shall be eligible for an extension that ends no later than the 8th Annual General Meeting of Shetland UHI, and no earlier than the 4th Annual General Meeting of Shetland UHI (notwithstanding the submission of a resignation letter).
- 5.4.3 If, through the application of Clause 5.4.1 more than one such Independent Director does not wish to seek an extension to their term of office, the order in which such Directors vacate their role, shall be determined by:
- 5.4.3.1 The date to which they were appointed to the Transition Board, with such Directors with an earlier start date being prioritised as vacating first.
- 5.4.3.2 Where two or more such members were appointed on the same day, the order to which they vacate their role shall be determined by a random method, administered by the Board Secretary.
- 5.4.4 Independent Directors to which Clause 5.4.3 applies, shall vacate their role no later than the 4th Annual General Meeting of Shetland UHI and no earlier than their successor is appointed (notwithstanding the submission of a resignation letter).

5.5 Additional procedures related to Independent Directors who were former Transition Board Directors to be administered 3 months prior to the 4th Annual General Meeting of Shetland UHI

- 5.5.1.1 With regards to an extension to their term of office, Clause 2 shall be administered in respect to Independent Directors to whom previously served on the Transition Board.
- 5.5.1.2 Such an extension will end no later than 8th Annual General Meeting of Shetland UHI, and no earlier than the 6th Annual General Meeting of Shetland UHI (notwithstanding the submission of a resignation letter).
- 5.5.1.3 Independent Directors to whom Clause 5.5 applies and who do not seek an extension to their membership of the Board of Management, shall vacate the role of Independent Director, no later than the conclusion of the 4th Annual General Meeting of Shetland UHI.

5.6 Further provisions related to Independent Directors who were former Transition Board Directors to be administered 3 months prior to the 6th Annual General Meeting of Shetland UHI

- 5.6.1.1 With regards to an extension to their term of office, Clause 2 shall be administered in respect to Independent Directors to whom previously served on the Transition Board if Clause 5.5.1.25.1.1 and Clause 5.1.2 applies to them.
- 5.6.1.2 Such an extension will end no later than 8th Annual General Meeting of Shetland UHI.
- 5.6.1.3 Such Independent Directors as to whom Clause 5.6.1.1 applies, who do not seek an extension to their membership of the Board of Management, shall

vacate the role of Independent Director, no later than the conclusion of the 6th Annual General Meeting of Shetland UHI.