



Company 5 Year Vision and 2021/22 Business Plan

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1 Business Overview

1.1 Introduction

Ubico is a successful and well-respected local authority owned company operating across Gloucestershire and West Oxfordshire. Our success is underpinned by a commitment to delivering safe and high quality services that meet the needs of our Local Authority shareholders and the residents they serve.

2020 has brought us a considerably different challenge to anything we have ever faced before; a global pandemic, with us continuing to deliver essential front line services throughout. In 2021/22 we will still be working in the presence of the virus and much ongoing work will still be needed to meet the challenges that that brings.

Against an already challenging backdrop of stretched public finances, the impact of the pandemic has also brought additional financial challenges for our local authority shareholders. In 2021/22 we will continue to support our partners in meeting these challenges by exploring synergies and opportunities for collaboration across our operating area which should deliver efficiencies.

Our contracts with our existing shareholder authorities will be renewed or extended in 2021/22 and, should we be successful in our tender for delivering services for Gloucester City from 2022, a large element of the work that we undertake will be around the integration of our eighth shareholder and preparing for mobilising their services. The addition of Gloucester City will deliver many benefits and opportunities for all of our shareholding authorities.

We will continue to invest in and support our people, who are the key to Ubico's success, and will seek to modernise our working practices and improve our use of technology to support them in delivering efficient, effective services. Health and Safety remains our number one priority, and we will seek to continuously improve our performance, gaining re-accreditation to ISO 45001 for our Health and Safety Management System and increasingly seeking to benchmark our performance against the market. We will continue to drive positive engagement with our staff in the area of health and safety to improve our health and safety culture and will continue our focus on wellbeing and mental health.








1.2 Our Shareholders

Ubico is a wholly-owned local authority company with seven shareholders, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council and West Oxfordshire District Council.



1.3 Our services

We deliver front line environmental services including waste and recycling collections, street cleaning and grounds maintenance. The full list of the services we provide on behalf of each of our shareholding local authorities is shown in the table below.

							
Fleet Management and Maintenance							
MOT and Taxi Testing							
Street Cleaning							
Recycling Centre Management							
Recycling Collections							
Refuse Collections							
Cemetery Maintenance							
Garden Waste Collections							
Public Toilet Cleaning							
Building Cleaning							
Pest Control							
Bring Bank Operations							
Winter Maintenance (gritting)							
Caretaking Services							
Car Park Cleaning							
Trade Waste / Recycling Collections							
Grounds Maintenance							
Bulky Waste Collections							
Clinical Waste Collections							
Land Drainage Ditch maintenance							
Street name plates and road signs							
Recycling Bulking and Transfer							

1.4 Looking Back: 20/21 Review

2020: Our COVID Response

COVID safety measures were introduced across the business



- Hand sanitisers installed
- Rigorous vehicle cab cleaning regimes followed
- Enhanced PPE provided to all staff
- Perspex screens installed at all our sites
- Offices reorganised to enable social distancing and one way systems introduced
- Staff bubbles created and maintained and staff working from home where possible



Frontline services were largely maintained as usual



We collected up to 35% more recycling and 7% more refuse compared to 2019



Business Continuity Plans regularly reviewed and updated in partnership with commissioners



Dedicated COVID response task forces established for all areas of the business



686 employees and all our union representatives kept informed through regular communications



We maintained our compliance audits virtually and undertook 11 health, safety and environment audits and 22 fleet audits

2020: Our Achievements

Health, Safety, and Environmental Management

We achieved reaccreditation to:

- ISO14001 for our Environmental Management System
- ISO45001 for our Health and Safety Management System
- The Contractors Health and Safety Scheme (CHAS)
- The Alcumus Group Safe Contractor Scheme (formerly EXOR)



Our Performance

Compared to 2019, in 2020:

Accidents accounting in lost time were reduced by



Property accidents reduced by



Overtime hours worked reduced by



Service complaints reduced by



Non conformities in internal compliance audits reduced by



Our People

We improved our support for our staff in the area of mental health and wellbeing through:

- Production of our first Wellbeing and Mental Health Policy and key objectives
- Greater promotion and easier access to our Employee Assistance Programme
- Increasing general staff communications and awareness of mental health and wellbeing



In 2020 we set up the Ubico Training Centre



We are exploring expanding our apprenticeship opportunities to reach more individuals and incorporate more roles.

Operations

In March 2020 we launched a new waste and recycling service in the Cotswolds



Productivity

We undertook a trial of a shared, cloud-based workspace to incorporate and link online forms and dashboards



An 'In-cab' technology project is underway in the Cotswolds for implementation in Spring 2021, to help connect our workforce



We introduced new working patterns in our vehicle workshops, improving resilience and reducing vehicle downtime

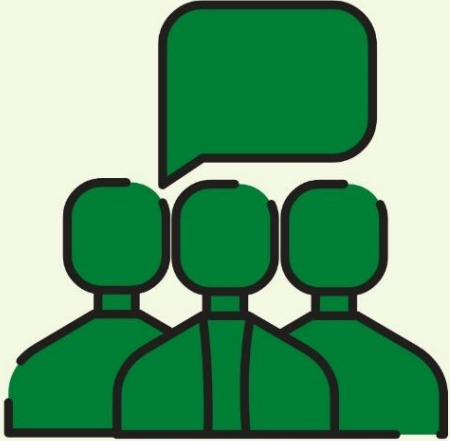
Carbon Reduction

- We engaged with industry experts to ensure our vehicles are specified to achieve the best possible environmental performance, in line with available budgets.
- We undertook a driver performance pilot with 5 drivers which saw a 10% improvement in MPG in just 8 weeks, saving 0.9t of carbon dioxide and over £300 in fuel costs.
- We purchased a hybrid van in the Cotswolds and an electric car was brought on fleet with an electric sweeper due later in 2021 in West Oxfordshire.
- We undertook demonstrations of electric refuse vehicles and electric sweepers
- We are currently undertaking a joint procurement project with 3 of our partners for 9 electric vans
- Our new tyre policy and supply contract saved the equivalent of over 30 tonnes of CO2 in it's first 8 months



Company Governance and Shareholder Engagement

- 3 Independent Non Executive Directors joined Ubico's Board in February 2020
- 2 Board sub-committees created in the areas of governance and nominations and risk and audit
- Shareholder engagement policy developed
- Annual appraisals introduced for Board members
- Annual Report produced to support Annual Statement of Accounts
- New Five Year Vision proposed to Shareholders



1.5 Looking Forward: Our five-year vision

In 2020, Ubico’s Board of Directors developed a Five Year Vision for Ubico:

Recognised by our customers and employees as a quality provider of sustainable services for our local communities, delivering best value and reliability

Through:

- *Leveraging synergies and economies of scale*
- *Harnessing opportunities to deliver value back to our partners*
- *Using technology to drive operational efficiency*
- *Understanding our communities’ needs*
- *Inspiring our workforce to be committed to providing value for money and carbon neutral services*

2021/22 is year one of this five year vision and this document articulates the year one activities. Ongoing development of the strategy to support years two through five will continue throughout the year, including, where necessary, the presentation to our Shareholder councils of business cases for investment requirements and opportunities.

1.5.1 Strategic Pillars of our vision

Ubico’s 2021/22 business plan and our 5-year vision is built around four key pillars:

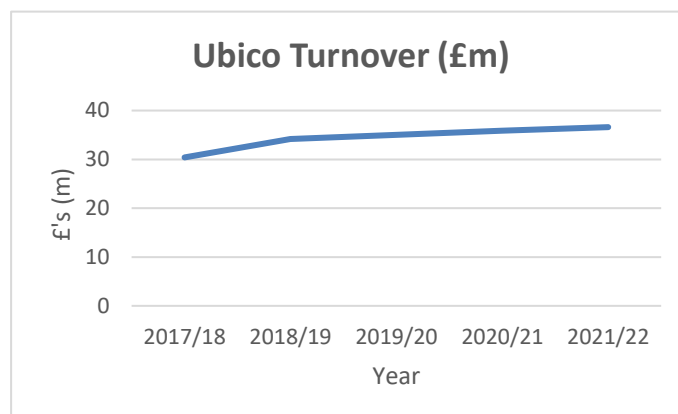
People	Operations	Climate	Business Development
<ul style="list-style-type: none">•We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.	<ul style="list-style-type: none">•We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.	<ul style="list-style-type: none">•We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.	<ul style="list-style-type: none">•We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren’t simply about profit, including those that would deliver greater value, help our communities or improve services.

1.5.2 Turnover and Performance 2021-2026

Historic and Projected Turnover

The increase seen between 2017/18 and 2018/19 is the result of both the full year operation of West Oxfordshire Waste and Recycling (this service had transferred to Ubico from the private sector in Autumn 2017) and normal inflationary factors (for example pay awards, fuel prices).

In March 2020, a redesigned kerbside collection scheme was launched in Cotswolds and the increased partnership sum is reflected in the 2020/21 and 2021/22 figures. For all other contracts, increases are largely inflationary factors including a necessary increase in training budget and more accurate asset recharges.



Performance Scorecard

Pillar	Measure	2021	2026
People	Vacancy fill rate (advertisement closed to acceptance)	<1 month	<1 month
	Annual training budget utilisation	80% of annual training budget	100% of annual training budget
	Conformance to mandatory training to schedule	>90%	>95%
	Staff turnover	<14% attrition	<12% attrition
Operations	Service KPIs - Missed Bins (per 100,000 collections)	<0.05 %	<0.05 %
	Service complaints & compliments	Maintain & improve	Maintain & improve
	Fleet Compliance	Fleet Audit Scores >90%	Fleet Audit Scores >95%
	RIDDOR Occurrence	<12 per year	<9 per year
	Deliver to set budget	Within 5% set budget	Within 3% set budget
Climate	Reduced carbon emissions	Benchmark in 2021/22	
Business Development	% Service coverage of core services to existing shareholders		For Discussion
	Savings or returns on investment proposals	>5%	>5%

2 Business Plan 2021/22

2.1 People

2.1.1 Objective

We will have a well-trained, supported and engaged workforce who live our values and are proud to work for Ubico.

2.1.2 Key Activities in 2021/22

Agile Leadership Teams

- Embed a staffing structure that can adapt to growth and has capacity to deliver projects and transformational change
- Ensure that the management team have the skills to drive continuous improvement, safety, innovation and efficiency
- Offer opportunities to support internal staff progression
- Leverage diversity and inclusion which will bring diversity of thought and perspective to improve organisational excellence

Supported, Engaged Staff

- Continuous improvement in Health and safety culture through ongoing staff engagement and consultation
- Continue to deliver focused staff engagements around wellbeing and mental health, and provide appropriate training for line managers in this area, ensuring support mechanisms continue to be easily accessible for all staff
- Embed performance management process across the company
- Consider long term, post-Covid flexible working options, considering both office-based and front line operational staff
- Build on induction / early engagement program for new staff
- Continue to reduce our reliance on agency staffing where possible
- Enhance staff communication, engagement and commitment

Excellence in Training and Development

- Embed and develop the Ubico Training Academy to deliver effective and appropriate staff training
- Increase the number and variety of apprenticeships offered
- Continue to explore options for a formal learning management system

2.1.3 Key Risks

Our key 'People' risks are outlined below. These are risks which, if borne out, could impact cost and/or service deliverability.

- Ongoing impact of Covid-19 on our staff; their availability, wellbeing, personal circumstances and morale

- Brexit may bring changes to the employment market, affect legislation and necessitate unforeseen changes to be made
- National driver shortages, ageing driver profile and our reliance on agency staffing
- Succession planning particularly in Grounds Maintenance
- Increases in instances of stress and anxiety (not related to workplace, also general Covid-19 impact on mental health)
- Operations managers and HR services under pressure to operate effectively whilst trying to navigate through staffing issues and handle additional challenges presented by Covid-19.
- Possibility of competitors and market conditions taking key staff either by enhanced pay or employee satisfaction levels

2.1.4 Risk Mitigation

These risks will be mitigated through the delivery of our People Strategy, with a focus on ensuring staff wellbeing and satisfaction. We are committed to maintaining strong relationships with our recognised Trade Unions and working in partnership to address any issue which arise.

2.2 Operational Excellence

2.2.1 Objective

We will deliver high quality services which remain safe and compliant, seeking continuous improvement in productivity, value and service excellence. We will harness innovation where appropriate and will explore synergies and opportunities for partnership and cross boundary working.

2.2.2 Key Activities in 2021/22

Excellence in service standards

- Seek continuous improvement and maintain high standards of service delivery, evidenced in our performance indicators
- Communicate and celebrate our successes, both internally and externally and in partnership with our shareholder councils
- Seek to understand customer feedback and identify areas for improvement

Safe and Compliant

- Maintain high standards of safety and compliance, demonstrated through reduced personal and vehicle accidents, consistent and satisfactory compliance audit scores and outcomes of risk based audits, and satisfactory internal audit outcomes
- Explore opportunities to benchmark our performance in Health and Safety against similar organisations
- Retain our ISO45001 certification to demonstrate our ongoing commitment to continuous improvement in Health and Safety

- Improve our H&S reporting systems and processes in order to maximise efficiency, reduce our reliance on manual data entry and evaluation and automate the production of reports where possible
- Ensure the requirements are met for both our Operator's Licence (for operating our fleet) and our environmental permits (for operating our licensed waste and recycling sites)

Technology

- Explore options for digitisation and modernisation, to enhance productivity, efficiency and customer service levels
- Embed the Fleet Management System introduced in 2020 to ensure our fleet maintenance provision is efficient, and expand its use across all our workshops

Embrace Opportunity

- Explore opportunities for cross-boundary working and increased integration and collaboration across our operating area that could deliver efficiencies
- Continue to work in partnership with our Shareholders to develop a strategic approach to depot and facilities provision and management
- Develop proposals for vehicle asset ownership to maximise efficiency

Digitisation and modernisation

- Develop an IT strategy to inform our technology journey
- Increase our use of technology to support efficient, effective services, adopting digital solutions to streamline processes, enhance collaboration and drive efficiency
- Choose technology that offers best value, is scalable, and straightforward to use whilst delivering performance improvements
- Upskill staff where necessary so that they are able to leverage the benefits of any such new software

Finance

- Continue to explore options to help partners meet budget pressures
- Maintain clear, timely and appropriate financial reporting for ourselves and our shareholder partners
- To look further ahead in our financial planning for the benefit of both the company and our partners

Marketing

- Promote our strong reputation, including producing a communications strategy
- Leverage partnerships to support our communications and promotion

2.2.3 Key risks

Our key operational risks are outlined below. These are risks which, if borne out, could impact our ability to continue to effectively deliver services and could impact costs

- The health, safety and compliance of our operation
- Covid-19, including

- The risk, despite all mitigating measures in place, of a more infectious strain(s) and its resulting increased transmission rate causing absence rates to increase to such a point that only essential services can be delivered
 - The reputational risk to Ubico and our shareholders when service performance is impacted
 - Cost of provision of mitigating resources such as PPE, cleansing equipment, additional vehicles
 - Increased pressure on resources due to higher arisings of waste and recycling, and exceptionally high use of our parks and open spaces
 - Limited ability to draw on agency staff, or utilise our own staff usually available to flex across working teams, due to the need to maintain the integrity of team 'bubbles'
 - Diversion of resources, across the company, to responding to Covid-related demands and reducing capacity to deliver business plan objectives
- Maintaining our fleet while minimising service disruption
 - Inflationary cost pressures, in particular insurance and uncertainty around diesel prices post-pandemic
 - Property growth out strips resources across the region
 - Poor recycling presentation slowing down operations

2.2.4 Risk Mitigation

These risks will be mitigated through our robust management systems, including regular reporting and early engagement around any emerging risks with the relevant Shareholders in order to develop an agreed partnership approach to their mitigation. For Health and Safety risks, these are mitigated through our commitment to the 'Plan, Do, Check, Act' process for managing Health and Safety as outlined in our Corporate Health and Safety Policy. One of our company Values, 'Be Safe' is universally recognised by our staff as being the most important behaviour that we must expect everyone to recognise and adopt. Working in line with this value helps to reinforce a positive organisational culture that places continuous improvement in health and safety at its core.

2.2.5 Key procurement activity

- Complete key procurement activity carried forward from 20/21 due to the impact of Covid-19 (extensions formally secured to cover the carry forward where required):
 - Agency Staff Contract
 - Occupational Health and Job Screening
 - PPE Footwear and gloves
 - Vehicle parts
 - Vehicle Procurement Framework / Refuse Vehicles Framework
 - Weed control operations
 - Cleaning products, grounds maintenance and street cleaning chemicals
 - Site Fire and Security Contracts
- Complete key procurement activity due in 2021/22

- In-cab / connected workforce technology system
- Liquid Fuels
- Perm Recruitment Services
- Waste Tipping
- Public toilet locking/unlocking (FoD)
- Hooklift vehicle provision (HRC's) (work to commence 21/22 for contract commencement in July 2022)
- Workshop equipment service and repair
- Interceptor / drainage tank emptying

Our current agreements for support services for HR and payroll, ICT, legal, finance, internal audit and procurement expire at the end of March 2022. Work will be undertaken in 21/22 to assess the available options for future delivery of these services, with a view to ensuring that appropriate agreements are in place from April 2022, and giving particular consideration of how best these are resourced to support delivery of our longer-term strategy for delivering our five year vision.

We will also complete the necessary legal work to confirm the contract extensions/renewals sought by each of our individual shareholders with effect from August 2021 for Gloucestershire County Council, and April 2022 for all other shareholders.

2.3 Climate

2.3.1 Objective

We will minimise our environmental impact and support our shareholders to meet their carbon neutral targets, integrating carbon reduction opportunities wherever reasonably possible in both our fleet and non-fleet activities.

Carbon Reduction Strategy

- Develop a Carbon Reduction Strategy for Ubico which supports the ambitions of our Shareholder councils and identifies carbon reduction objectives and targets which are practicable and measurable

Compliance and Performance

- Demonstrate our continued commitment to protecting our environment by retaining our ISO14001 accreditation for our Environmental Management System
- Maintain excellent standards at our permitted sites to both manage and minimise their environmental impact
- Support our professional drivers to deliver excellence in driving standards in order to improve fuel efficiency to both reduce carbon emissions and deliver cost savings for tax payers

Partnership working

- Work with partners to identify and further explore fleet options which deliver carbon reduction

- Engage with our partner councils to identify opportunities for joint climate/carbon reduction projects (non-fleet)
- Explore opportunities for cross-boundary working and integration which would contribute to a reduction in our carbon emissions

2.3.2 Key risks

Our key climate risks are outlined below. These are risks which, if borne out, could impact our ability to deliver carbon reduction goals, or increase costs associated with doing so.

- Geographic challenges of operational area may prevent the early introduction of electric fleet
- Current asset infrastructure cannot support a fully electric fleet
- Kerbside sort services create up to three times more carbon than co-mingled collections
- Older vehicles not specified with technology to deliver on some objectives
- Competing priorities divert resources and attention away from carbon reduction focus

2.3.3 Risk Mitigation

These risks will be mitigated through careful consideration of the appropriateness of any alternative fuel vehicle, and the impact on required infrastructure ahead of their purchase. All projects, including those reviewing service design, will include carbon reduction considerations and implications.

2.4 Business Development and Financing

2.4.1 Objective

We will build business development capability which enhances our partnerships and allows for effective identification, analysis and presentation to shareholders of potential new business opportunities. We will explore opportunities that aren't simply about profit, including those that would deliver greater value, help our communities or improve services.

Increased Shareholding

- If successful in our tender, integrate Gloucester City as our eighth shareholder and prepare for mobilising to delivery their services from April 2022
- Undertake a project to understand and evaluate near-geography opportunities for future expanded shareholding

Increased operational services for Shareholders

- Embed the delivery of services in Stratford Park, Stroud, which commenced in December 2020
- Explore further opportunities to increase the portfolio of work we deliver to existing partners, both those that we currently deliver and those that may be synergistic

Commercial

- Build business case(s) for expanding our vehicle maintenance offering from our fleet workshops to increase income from external sources
- Restart the trade waste pilot delayed by Covid with Cheltenham Borough Council to identify return on investment (ROI) for consideration of future rollout across the wider shareholder base
- Evaluate market opportunities that would sit within our 20% teckal 'headroom' to deliver returns, clearly articulating and assessing risks and benefits
- Continue to develop relationships with our partners through timely and effective communication
- Explore funding mechanisms, asset ownership and investment appetite to support investment in capability or access to funds

2.4.2 Key risks

Our key business development risks are outlined below. These are risks which could impact our ability to seek or realise opportunities for development.

- Commercial activity is restricted by available resource and their capacity.
- Greater commercial returns will require shareholder investment
- Commercial activity negatively impacts core service to shareholders
- Risk appetite of shareholders and commissioners

2.4.3 Risk Mitigation

These risks will be mitigated through having an agreed resourcing approach to the development of any proposals brought forward, as well as ensuring that capacity and core business considerations are made before any commercial activity is proposed. For any proposal to be taken forward, a detailed business plan will be presented to and approved by Board and Shareholders prior to project commencement.

3 CSR and Governance

3.1 Corporate and social responsibility

Ubico Ltd is committed to adopting best practice in this area and continues to ensure that Corporate Social Responsibility (CSR) is embedded into our policies, plans and business practices to the benefit of staff, the wider community and the environment. CSR is at the heart of our vision and corporate values.

The Board of Directors, managers and employees at all levels will have regard to the social and environmental impacts of the company's business. In 2021/22, we will:

- continue to use procurement opportunities to gain social, economic and environmental benefits for the communities we serve;
- locally source goods and services wherever economical and practical;
- provide local employment opportunities with good employment standards and practices;
- provide apprenticeship opportunities;
- provide opportunities for learning and development and support disadvantaged groups;
- support community initiatives and events;
- explore the potential to work in partnership with the voluntary and community sector; and
- encourage voluntary participation in national and local initiatives.

We recognise that our business operations have an impact on the environment through emissions to land, air and water, the consumption of resources and the generation of waste. We are committed to minimising any adverse impacts on the environment and preventing pollution associated with our activities through continual improvement to our operational methods and working practices. We will comply with environmental regulations and other external requirements in order to minimise our environmental impact. We hold and seek to retain ISO 14001 certification for our environmental management system.

3.2 Governance

Good corporate governance and the continued professional development of the Board of Directors and the Senior Management Team is a key objective. To safeguard the future of the company we must ensure appropriate competency standards and qualifying criteria are applied to all Directors and follow the spirit of the UK Corporate Governance Code. At all times the company will remain open, transparent and accountable. The Board and its members will operate as a cohesive team, with its priority at all times to further the aims, goals and values of the company, whilst always having risk and risk management at the forefront of discussions.

We regularly review our policies, procedures and governance arrangements to ensure they are fit for purpose, represent good practice and meet all relevant legislative and regulatory requirements. The Executive Directors and Legal Advisor will continue to meet regularly to

monitor and review to ensure that our governance arrangements are fit for purpose for a company of Ubico's size.

Further to a Board Effectiveness Review carried out in 2018, Ubico has implemented considerable internal changes since 2018, improving the reporting of risks and audit reports to the Board, increasing the frequency of Board meetings and re-designing management information and financial information to commissioners and shareholders.

Consultation with Shareholders resulted in the design of a new board structure to fill skills gaps identified in the Effectiveness Review, with the redesigned board comprising three Executive Directors, three Non-Executive Directors from local authority shareholders, and three independently appointed Non-Executive Directors including an independent Chair of the board.

The new Board structure came into effect in February 2020, with an immediate focus on delivering further on the improvements suggested in the Board Effectiveness Review. During 2020 the board has formed two new sub-committees; a Risk and Audit Committee and a Governance and Nominations Committee. These committees provide support to the Board in key governance areas, for example, better understanding of business risk, and ensuring the processes to mitigate risk are effective and there is compliance.

The board has also adopted a new process for annual performance reviews for all Non-Executive Directors, and has produced and adopted a Shareholder Engagement Policy in order to help ensure that the correct processes and procedures are in place to reflect robust governance and engagement.

An internal audit plan is completed annually with Audit Risk Assurance (ARA) continuing to deliver Ubico's audit services throughout 2021/22. A full annual audit plan is agreed by the Board and all audit findings are sent to Directors to review and scrutinise.

External audit of the company's accounts is determined by Shareholders at the Annual General Meeting.