

ENGLISH WOMEN'S GOLF ASSOCIATION

Minutes of the Meeting of the Management Board held on Wednesday 21 May 2008 in the EWGA Board Room, 11 Highfield Road, Edgbaston, Birmingham B15 3EB at 09.30 am

Present:	Ms S Whittaker	Chairman
	Mrs C Babcock	Non-Executive Director
	Mrs C Baker	Non-Executive Director
	Mrs J Longhorn	Non-Executive Director
	Mrs A Parr	Non-Executive Director
	Mr J Robinson	Chief Executive
	Mr M Hall	Accountant/Company Secretary

Action

1. Chairman's Remarks and Apologies

The Chairman welcomed everyone to the meeting. There were no apologies for absence

As Lynn Walker was on holiday, it was agreed that for the purpose of the Minutes, the meeting would be recorded.

The Chairman reported that since the last meeting the Operational Board had produced a statement on the corporate governance issues facing the Management Board, a copy of which was circulated to all members of the Management Board and is appended to these minutes. The Operational Board had proposed a joint meeting of the Boards. So far as the Chairman was aware, she had been the only member of the Management Board to have replied to the invitation to a joint meeting and a copy of her response had been circulated.

In her response she made it clear that she was prepared to resign from the Management Board only on the resignation of all the Non-Executive Directors. She felt this was the best way forward in the interests of the Association. The Chairman stated that she and the Non-Executive Directors had been appointed to deal with the business of the Association. The Chairman invited comment on the Operational Board Statement and the invitation for the joint meeting.

Carola Babcock stated that in her opinion the Operational Board statement carried no weight and was the result of a misunderstanding or a lack of understanding and asked the Chairman to explain why she felt that the resignation of the entire Management Board would be in the best interests of the Association.

The Chairman stated that it was an unusual situation for any Board that the Chairman should be asked to resign before any formal meetings of that Board had taken place. Following legal advice taken at the last Management Board meeting it was made clear that all issues should be fully debated and minuted in order that future reference can be made to them. The Chairman felt that the Non-Executive Directors had been reticent in putting forward their views in full board meeting of how they perceive the Chairman's behaviour and stated that she felt that the behaviour of the four Non-Executive Directors was not in the best interests

of the Association. She felt that a fresh start would be less damaging to the long term interests of the association particularly as she assumed that if only she resigned one of the Non-Executive Directors would take over the chair and proposals would be brought forward by the Non-Executive Directors that should be debated by the membership as a whole and not just the Board.

A lengthy discussion took place where the Chairman failed to clarify what these proposals might be or to substantiate why she felt the resignation of all four Non-Executives would be in the best interests of the Association. The Chairman could or would not cite specific issues as to why the Non-Executive directors should resign beyond an unsubstantiated remark that conversations held with other members of the Association made her feel this should be the case. The Chairman verified that as far as she was aware the only people other than the Management Board who knew of the current corporate governance issues were those on the Operational Board.

In response to a question from Jane Longhorn as to why members of the Operational Board might feel that Jane should resign, the Chairman said that there was a view that some of the Non-Executive Directors have a strident and unpleasantly robust approach which they regard as unprofessional behaviour and worry that if the Non-Executive Directors were in charge that other people's positions would rapidly be under threat or question. Jane requested examples of this behaviour or specifics as to whose position might be under threat. No elaboration was forthcoming. Carolyn Baker referred to a very positive recent meeting with Ruth Whitehead where none of these concerns were raised.

Lengthy discussion then followed on the governance issues facing the Board and, at the Chairman's insistence, the Non-Executive Directors provided many examples of the lack of leadership, drive and effective communication from the Chairman who was unable to foster a spirit of co-operation and teamwork in the whole board for the good of the Association, the result of which was their vote of no confidence in the Chairman carried at the last Board meeting.

Some of the specific points raised included:

- the lack of communication surrounding the resignation of Pauline Perla, the previous Chief Executive and the Chairman's self-confessed poor handling of this situation in terms of not informing all the Non-Executive Directors prior to their initial informal get-together; this error in judgement had resulted in a less-than-welcoming reception for the new Chief Executive from the Chairman and Non-Executive Directors. In this regard, the Non-Executive Directors stressed to Mr Robinson that this was not directed at him personally but at the process and the manner in which the Chairman had handled the communication;
- the shared disquiet from the Chairman and Non-Executive Directors on the timing of the appointment of Jim Robinson, new Chief Executive, by ELGA without

Management Board involvement;

- lack of consistency over the timing of Pauline Perla's departure; the Chairman and Non-Executive Directors' had agreed a date based on their duty of care following Ms Perla's own spoken desire (at a meeting where the Chairman and Non-Executive Directors were present) to leave at the earliest possible opportunity; subsequent conversations held by the Chairman and Chief Executive regarding the staff's desire for Ms Perla to remain for some further weeks were not reported to the Non-Executive Directors who were, therefore, unable to take this into account when making the final decision as to Ms Perla's leaving date;
- deviation without communication by the Chairman from the plan she had agreed with the Non-Executive Directors on the timetable for the new Chief Executive's initial weeks in the job resulting in mismatched expectations of what he would deliver at the formal induction meeting in Leeds;
- lack of follow-through to the Operational Board on their vital role as the communication channel to the membership as discussed and agreed by the Chairman, Non-Executive Directors and Chief Executive in a meeting in Leeds;
- failing to seek input from the Non-Executive Directors in the setting of the Chief Executive's objectives;
- misjudgement in exploring external training courses to develop board skills.

The Non-Executive Directors stated that all of these and other examples had resulted in an environment of mistrust and lack of mutual respect between them and the Chairman. Each of the Non-Executive Directors expressed their disappointment that their willingness and enthusiasm for the Association and their desire to share their specific areas of expertise in the running of what is now a legally incorporated business rather than a loose Association were being marginalised and disregarded by the Chairman who preferred to rigidly follow the traditional role of a Non-Executive Director who would attend a few meetings a year and have little impact on the business. Ada Parr noted that this is in direct opposition to the conclusion of the modernisation review which set the new structure specifically to engage Non-Executive Directors with a wide range of proven business skills that they would be willing to deploy in the running of a successful, forward-looking organisation. She further noted one area where a Non-Executive Director could already have made a clear contribution was in the provision of expert advice from Carolyn Baker on the Compromise Agreement reached with Ms Perla on her departure. The Chief Executive worked with another external source despite having the expertise freely available to him.

There was general agreement that the Board was dysfunctional and could not currently operate effectively as the four Non-Executive Directors were unable to work with the Chairman.

In response to a question the Chief Executive then summarised the options available:

- the Chairman could resign

- the Chairman and the 4 Non-Executive Directors could resign
- an EGM could be called

The Chairman re-iterated that she would not resign unless the Non-Executive Directors also resigned. The Non-Executive Directors made it clear that they would not resign as no grounds had been given for them so to do and that the impact on the newly formed business of the whole board resigning would be damaging to all members' interests and the image of the EWGA in the press.

It was understood that to call an EGM could be costly and currently difficult owing to the problems with the Memorandum and Articles. The Chief Executive is in the process of obtaining the signatories from the Counties for the special resolution to change the Memorandum and Articles of Association. This paperwork has to be turned round in a 28 day period. Once this is done it will mean an EGM could be called much more easily.

A number of the Non-Executive Directors raised the issue of how difficult and damaging an EGM could be for the Association and that the solution lay in the Chairman's hands to prevent this happening. The Chairman was urged to reconsider her position given that even if her intention had not been to cause the problems related earlier, they had occurred and that she now had the opportunity to prevent further problems by resigning. The Chairman concurred that co-operation between the members of the board was difficult owing to the issues presented and that she felt the clock could not be turned back.

Carola Babcock stated that she felt she had no reason to resign from her post as she had been appointed for her expertise and considers that she has not given any reason why the responsibilities of that post are not being fulfilled. Carolyn Baker stated that she too felt this way. The Chairman questioned whether she had ever been accorded respect from the Non-Executive Directors and Ada Parr responded that she felt this had been the case where despite the shaky start caused by the mishandling of communication regarding the Chief Executive position, all Non-Executive Directors had agreed to put that firmly behind them. For her part, Ada stated that she had been open to and wanted good relationships with all six of her new board colleagues all of whom had been previously unknown to her but had been unable to develop a positive relationship with the Chairman. She and other Non-Executive Directors had actively encouraged the Chairman to hold conference calls on the early issues facing them rather than individual calls hoping that this would be part of the 'bonding' of the board and would provide the necessary transparency for effective teamwork. Only one such call had been held.

Jim Robinson said that he felt his own relationship with the Chair is functional and that he has had positive feedback from others when she has represented the organisation at events.

Mr Robinson went on to say that whilst he agrees that there are governance issues within the Management Board, these issues are not insurmountable and the Board should be capable of

putting this to one side and move on. Ada Parr agreed that this was a laudable view but regretted that despite the lengthy discussion on the issues it seemed Mr Robinson had not grasped the depth of the division.

With regard to the statement issued by the Operational Board, Carola Babcock reminded the Board that the Operational Board has no legal remit to advise the Management Board as to what they should or should not do in terms of governance. She further reminded the Board that nearly five months had elapsed since the Management Board came into being and that being stuck in this corporate governance issue was not helping to move the business forward.

Mike Hall questioned whether the Non-Executive Directors had not been hasty in their vote of no confidence in the chair to which Jane Longhorn replied that no decision had been taken lightly and that there was certainly no desire to have an EGM or to put at risk all the hard work that Pauline and others had done to bring about a formal, incorporated business simply because we have a Chairman with whom four people are unable to work. She stressed her commitment to utilising her knowledge and experience in moving the business forward and, with regret, said that this would best happen without Sue Whittaker as the Chairman.

Jim Robinson reminded the Board that an offer had been made to hold a joint meeting with the Operational Board to explain the current governance issues. Carolyn Baker refuted this saying that she had spoken to Ruth Whitehead and that her offer of a meeting is to discuss how the two boards will work together, not to discuss Management Board issues. No agreement was reached on the differing views held as to why this meeting had been suggested.

Mr Robinson outlined the process for the calling of an EGM which he felt was a logical outcome of the meeting since neither the Chairman nor the Non-Executive Directors were prepared to resign. Jane Longhorn questioned the apparent ease with which Mr Robinson was prepared to just accept that a costly EGM was in the best interests of the Association. He replied that it was simply a natural consequence of the current situation since the Operational Board had issued their statement.

Ms Longhorn cited two directly opposing views expressed by Ruth Whitehead as an example of the Operational Board's inability to be helpful in settling the corporate governance issues:

- Mrs Whitehead had told her and Carolyn Baker that with hindsight she should not have allowed the Operational Board statement to be made, that it was not in the best interests of the Association to have an EGM and it was not a good idea for five Board members to go at once and so, therefore, she would encourage the Chairman to resign;
- at the same time, the Chairman reported that Mrs Whitehead had expressly asked her not to resign.

After further discussion, Mr Robinson put to the meeting that it

seemed clear that the issues were not going to be resolved. Agreeing that this was the case, Jane Longhorn reiterated that there is a collective management obligation as the Board of a legally incorporated company where we have a non-functioning Chairman because of the vote of no confidence. The work of the Board can still continue through taking votes on all matters and she suggested that this was exactly how we should proceed with items from the day's agenda requiring decisions.

A break for lunch was taken at that point. When the Board returned the Chairman stated that following the earlier discussions at the meeting her position had not changed. She, therefore, suggested that other items on the agenda should be dealt with.

It was agreed that the Chief Executive should give his report before the meeting closed. As Mike Hall had to leave the meeting at lunchtime his report had been distributed and he had asked the Board to email any questions to him.

2. To Receive the Chief Executive's Report

Health and Safety Policy has now been approved and will be signed by the Operational Board members and Chairman. The staff will be taken through the policy by the end of June.

The draft Grievance and Disciplinary policies and the notes on probationary periods have been written and will be given to Carolyn Baker.

Mike Hall has been asked to review the Car Policy to ascertain whether it would be more cost effective to lease our company cars rather than purchase them. Both the EGU and the Golf Foundation lease Ford cars. Carolyn Baker agreed to forward a leaflet on the General Motors' policy for leasing to sporting organisations.

PJR

CBaker

The Expenses Policy is ongoing and a review has been carried out with similar organisations such as the LGU and EGP.

The paperwork to change the name of the ELGA Trust to EWGA and the change of Directors and Trustees has been dealt with.

The Audit Committee met via conference call. Jim Robinson will review the existing Risk Register and a copy of the Risk Register is to be forwarded to Carola Babcock. Carola Babcock gave a brief resume of the issues discussed at Audit Committee, minutes of which had been circulated to the Board.

PJR

Development of the Whole Sport Plan – It would appear that the Government Policy may change from funding being split 50% start/stay and 50% succeed to more emphasis being on stay rather than start and succeed. If this is the case it could cause some issues as the Association's financial year runs from October through to September and in the business planning year there is only Sport England funding until 31 March 2009. If these changes happen then the performance area of the business may receive less money therefore a decision may have to be made as to whether members' subscriptions will contribute to that core performance area. The guidelines will be available in early June and a meeting will be held on 3 June. Board members asked for

PJR

a copy of the last submission made to Sport England.

Start, Stay and Succeed will be replaced with Growth, Sustain and Excel – 20-25% Growth, 60% Sustain and 15 - 20% Excel.

The Chief Executive met with officials of the Golf Union of Wales to discuss their merger and how it has worked for them. They felt that the gender split was right.

Other meetings have been held regarding EWGA's insurance renewals.

Sponsorship with Uvostat has been finalised. Sponsorship talks are ongoing with several other companies. Carolyn Baker mentioned that Ada Parr should be kept in the loop on marketing and sponsorship initiatives.

Counties are supplying names of the people who will sign the special resolution for the change in the memorandum and Articles of Association. It is hoped that paperwork will be mailed to Counties by the end of June.

The Chief Executive advised that the Company Secretary position needed to be resolved as Mike Hall has reiterated that he does not want to take up this position. A decision needs to be made on whether the position is to be advertised or recruited on a known basis. Jim Robinson will circulate an advert within 6-8 weeks.

PJR

Board members asked if Mike Hall would be likely to reconsider the position of Company Secretary once the governance issues had been resolved. Jim Robinson confirmed that he was adamant that he did not want to fulfil the role.

Since the last meeting the Chief Executive has participated in a number of radio interviews and has attended several championships and training sessions.

The Non-Executive Directors requested a copy of the 2008 Handbook and also the LGU handbook and asked that they be included on the distribution list.

PJR

There have been no Health and Safety issues.

Carola Babcock reminded the Chief Executive that the Audit Committee will meet again and score the risk register.

Carolyn Baker reported that she had read that EWGA funded part of the training of the National Golf Club Managers' Association but there was no acknowledgement of this in either their newsletter or diary, even though the LGU and EGU are mentioned. Carolyn asked that Jim Robinson look into this.

PJR

The Remuneration and Nominations Committee has not yet been set up therefore this needs to be moved forward.

The Chairman thanked PJR for his report and closed the meeting.

3. Date of Next Meeting

The next meeting of the Management Board is scheduled for Friday 18 July 2008 at 9.30 hrs in the Board Room at the EWGA

Offices.