



## MINUTES OF THE BOARD OF DIRECTORS OF THE REAL CLUB DE GOLF GUADALMINA

**12 May 2021**

In the Club House of the Guadalmina Golf Club, Guadalmina Alta Urbanization of San Pedro de Alcántara, Marbella, Málaga, all (100%) of its members being present or represented, in accordance with article 28 of the Statutes, the Board of Directors is held Extraordinary of the Real Club de Golf Guadalmina, with universal character, existing the necessary quorum for the celebration of the meeting.

President	Manuel Muñoz Navarro
Vice President	Juan Ignacio Egaña Azurmendi
Treasurer	Cyril James O'Mahony
Member	Pedro Alonso Rodríguez
Member	Rosaleen Cunningham
Member	Kjell Konrad Karlsen
Secretary	Alejandro Ponce de León

In accordance with the foregoing, the Board meets according to the following:

## ORDER OF THE DAY

### 1. - Examination of the actions carried out by the Board of Directors in general matters related

to the operation of the Club, and, where appropriate, ratification of these.

- Communication to the RFEG and the RFAG of the new board and its appointments.
- Communication to the Sports Department.
- Communication to banks
- Affiliation to the Association of Golf Courses of Spain
- Appointment of the positions of the required committees & teams and putting into operation of each one of them
- Appeals to the Marbella General Urban Organization Plan (PGOU)
- Appeals against the Planning Application of the Chiringuito at Hole 11 South Course.
- Actions related to Hole 2 South Course and meeting with the Marbella City Council and EUC Guadalmina.
- Replacement of the administrator of Guadalmina Golf S.A. for cost savings
- Analysis of the wage bill and Negotiation of the Collective Agreement
- Provisional appointment of the Director of Operations
- Appointment of Rosaleen Cunningham as Solheim Cup ambassador.
- Analysis of disciplinary issues

### 2. **Actions carried out by the Finance Committee.**

- Committee Members
- Negotiations related to the Banco Santander Loan for the purchase of Martinsa-Fadesa shares

- Analysis of accounts for the year 2020 of both RCGG and GG S.A. Proposals and closing of the same for signature by the previous Board of Directors.
- Completion of statutory audit 2020.
- Budget 2021 and projections.
- Replacement of buggy fleet. Analysis and proposals.
- Others

### **3 Actions carried out by the Course Committee.**

- Committee Members
- Selection of advisers / consultants for the improvement and maintenance of the courses; choice of TAS
- Implementation of the first measures & action plan.
- Appointment of the Head Greenkeeper and Greenkeeper.

### **4 - Actions of the Competition Committee.**

- Committee Membership
- Competition Calendar
- Selection of external tournaments
- Rules of participation in inter-clubs
- Tasks to be undertaken
- Tree felling & pruning
- Definition of functions within the team
- Calendar

## **5- Actions of the Social Affairs & Technology Committee.**

- Improvement of the current reservation system; analysis and proposals
- Implementation of corrective measures.
- Meeting with the captains of the historical and unofficial groups.
- Selection of a new reservation program
- Improved restaurant contract; renegotiation of the contract with the lessee. Addendum signature
- Opening of the 1st floor exclusively for members.
- Welcome procedure for new members
- RGCC rules relating to pets; dogs

## **6 – Actions of the Golf School Committee**

- Analysis of teaching in the club
- Exclusivity for professionals; exceptions for former employees with temporary rights.
- New contracts and requirements.
- School sponsorship by Ping.
- School reorganization
- Improvements in the Aza's Corner
- Kids camp procedures
- Procedure for use of Par-3 course.
- Free classes for members Monday and Tuesday

## **7 – Questions & Answers**

## **8 - Reading and approval, where appropriate, of the minutes of the Board of Directors.**

At 6:10 p.m., the Extraordinary Board of Directors meeting begins, with its president, Mr. Manuel Muñoz speaking, who opens by explaining that there are a) informative topics at all points on the agenda, to which each of the speakers will refer and b) issues that require voting.

**19.- Examination of the actions carried out by the Board of Directors in general matters related to the operation of the Club, and, where appropriate, ratification thereof.**

Being general questions, they are presented by the president.

**INFORMATION POINTS. -**

In relation to these points, the following operational issues are outlined:

- Communication completed to the RFEG and the RFAG of the new board and its appointments.
- Communication to the Sports Department. Appointments made and registered.
- Communication to banking entities. Done and with authorized signatures.
- Appeals to the PGOU of Marbella in relation to the plots affected by the development (report is attached as Annex I). Carried out in a consensual manner in accordance with what has already been done by the previous Board of Directors prior to the inauguration.
- Appeals against the Planning Application of the Chiringuito at Hole 11 South Course. Carried out with the aim of avoiding a serious problem for the RCGG.
- Actions related to Hole 2 South Course and meeting with the Marbella City Council and EUC Guadalmina. Visit with staff from the Marbella Town Hall and with the president of the EUC.
- The two Senior Management contracts have been recorded in the 2020 Audit.

## ITEMS TO BE APPROVED BY THE BOARD.

- Affiliation to the Association of Golf Courses of Spain.
  - o It was agreed unanimously.
- Appointment of the positions of the required committees, teams and putting into operation of each one of them.
  - o In accordance with the constitution, each one of the chairmen of the Committees reported their composition and, as the Board did not find incompatibility or problem in any suggested member, so its members are unanimously ratified.

## -- Resignation of the sole administrator of Guadalmina Golf S.A.

- In relation to this matter, the new Board of Directors, with the philosophy of rationalizing the Company's expenses, has considered that it has sufficient means to assume responsibility for this function and, in agreement with the current Administrator, we have agreed to his resignation, which has been proposed to the Board of Directors.
- The resignation of the current sole administrator of the entity GUDALIMINA GOLF S.A. is unanimously accepted, for the purposes of the next ordinary general meeting, to be held on June 25, 2021 (its call is attached as Annex II).
- As his remuneration was initially agreed upon on an annual basis, and in view of the cooperation of the resigning member who has also agreed to advise the new Sole Administrator in the transition, it is agreed to reward him with the equivalent of what it would be to collect his fees until the end of August (2 months)
- It is proposed that the representative body of the company go from being a sole administrator to a Board of Directors, made up of the members of the Board of Directors, as occurs in nearby golf clubs. The president, vice president and treasurer will be designated at the time as CEOs to act jointly any 2 of the 3. The necessary measures will be adopted for this purpose.

- Negotiation of the Collective Agreement

- After knowledge of the data on the composition of the workforce, its conditions and terms, as well as studying the collective agreement, and once Doña Carmen Zavala, a labor lawyer, has been hired for these specific purposes, it is unanimously agreed:

- Start the negotiation and for this to formally constitute the negotiation table of the Collective Agreement on May 28, 2021.
- Appoint the members of the Board of Directors Mr. Juan Ignacio Egaña Azurmendi and Mr. Pedro Alonso Rodriguez as representatives of the employer in the negotiations.
- Try to improve the current Collective Bargaining Agreement, guaranteeing a balanced salary structure that makes the Club's finances sustainable and that manages to maintain the workforce by improving the terms and conditions in the medium and long term.

- Provisional appointment of the Director of Operations

- After the vacancy created by the voluntary departure of the former Director of Operations, the Board agreed, and today it is unanimously ratified, the appointment of Don Jose Hernández Reina to occupy that position, given his abilities, his knowledge of the club and his good relationship with partners and employees. The appointment is initially made for a period of 6 months, after which period it will be submitted for ratification based on performance.

- Appointment of Rosaleen Cunningham as ambassador for the Solheim Cup.
  - The Board of Directors appointed Ms. Rosaleen Cunningham as the representative of our Club for the SOLHEIM CUP, taking into account the human qualities, capacities and knowledge of everything related to the Club as well as the permanence necessary to achieve the final objective of 2023, and that she be our Ambassador in everything related to the SOLHEIM CUP.
  
- Analysis of disciplinary issues. – Latest complaint sanction.
  - In accordance with the provisions of article 44 of the Statutes and article 37 of the Internal Regulations, the analysis of the altercation that occurred on April 26, 2021, between Mr. Member 6712 and Mr. Member 6324,5921, 4425 and 5735 at the RCGG facilities, after hearing both parties, and considering the seriousness of the expressions uttered by the first against the other 3 partners, it was agreed:
    - To qualify what happened as a serious offense
    - Take into consideration the regret of the accused, his sincere apologies and that they have been accepted by the offended members
    - Prohibit the use of the facilities (golf courses) to the accused for 16 days, from the receipt of this letter
    - This sanction will be part of his file for the next six months.
  - It is adopted unanimously and will be recorded in his file, the calculation of the penalty term starting from the receipt of the communication.



- Golf-Shop outsourcing

After studying the current situation of the golf-shop, it is agreed to start a process to improve the performance of this activity and at the same time give it a more professional character that allows members to have better, more diverse and possibly cheaper products.

To assist in this task, economic information is requested from previous years (years 2018 and 2019) and to provide us with sufficient data to assess the appropriateness of this action.

- Choice of the Corporate Tax declaration system.

- Arising from the latest 2020 audit, the change that the General Tax Office is making in relation to the membership fees has been proposed, and that they have the consideration of taxable income in the annual Corporation Tax.

- After having consulted with professionals in this regard & analyzed binding consultations, and studied the actions of at least 10 clubs with conditions equal to ours, it was unanimously agreed:

- To take advantage of the possibility that being a non-profit organization gives us and therefore DO NOT consider the membership fees as computable income for the tax.

- Give instructions to carry out all those actions necessary to adapt the accounting, statutes and any other matter aimed at reinforcing the above.

- Changes in the bylaws

- Arising from the previous point, it is agreed to give instructions to propose at the next general assembly of the Club that the necessary statutory changes are put to the vote.

## **2- Actions carried out by the Finance Committee.**

Mr Cyril O'Mahony, Chairman of the Committee addresses this point.

### **INFORMATION POINTS:**

- Personnel that make up the Finance Committee;

- The members of this committee are:

- Jaime Krauel
- Ronan Maguire
- Kjell Konrad Karlsen

- Negotiations related to the loan Banco Santander Purchase of Shares Guadalmina Golf S.A.

There have been several meetings with the Banco Santander entity, which granted the loan to finance the acquisition of the shares of Martinsa Fadesa in Guadalmina Golf S.A.

Initially, we had considered extending the loan grace period by one year in order to enhance the treasury position. However, although the Bank had informed us of its willingness to accept the proposal, when we analyzed it and discovered that this change implied a penalty of 3% for modification (subsequently lowered to 1%), we decided not to accept the offer and to adhere to those terms initially agreed.

Given the above, and having studied the 7-year cash flow projections, the loan has been left in its original conditions.

- Carrying out the audit.

The 2020 audit by PWC has been completed, without significant issues, and with the following results:

Guadalmina SA: Loss € 113,000

Real Club de Golf Guadalmina: Profit € 149,000

## **ITEMS TO BE APPROVED BY THE BOARD.**

- Analysis of accounts for the year 2020 of both RCGG and GG S.A. Proposals and closing of the same for signature by the previous Board of Directors.
  - The presentation of the accounts for the year 2020 was carried out by the previous Board, being also approved by that same Board who has signed them without exceptions.
  - On the part of the Chairman of the Finance committee, approval is also granted.
  - Budget 2021:
    - Guadalmina SA: - Profit € 42,000
    - Real Club de Golf Guadalmina: Profit € 249,000
    - The Budget for 2021 is approved.
    - Results are as follows at the end of April:
      - Guadalmina SA: Profit € 7,000
      - Real Club de Golf Guadalmina: Profit € 117,000
- 
- Projections 2021:
  - The Board approves the current projection for the year 2021, which reflects important changes versus 2021 budget:
    - Guadalmina SA: Profit € 140,000 (Exceptional interest income € 81,000)
    - Real Club de Golf Guadalmina - Profit € 19K (Exceptional expenses: Sprinklers South Course € 150,000 + Eucalyptus and electric gates € 130,000)
- Replacement of buggy fleet. Analysis and proposals.
  - After analyzing the age of the vast majority of the buggies (16 units from 01/13, 20 units from 06/15 and 16 units from 05/16) and the problems and increasing costs generated by battery maintenance, it was agreed to analyze different

supplier proposals. Once they were presented, three finalists were selected, resulting in the winner for price, quality and services that of AGRONIMER, which among others offers:

- To supply the latest generation Yamaha models.
- Yamaha guarantees batteries for 4 years
- It will not be necessary to change the entire fleet at once. Initial replacement will be 36 units, which facilitates treasury management. It is planned to replace another 14 units in 2022 under the same economic conditions.
- Agronimer will maintain for RCGG a fleet of Buggies (20 units) throughout the year for rent (with 2 months p.a. at no cost)
- Agronimer takes immediate ownership of the batteries of the buggies to be replaced
- Purchase the buggies to be replaced, their offer being superior to any of the others.
- They will transfer FOC the GPS system that prevents approach to the greens - with a much less expensive maintenance cost.
- The renting price includes full insurance with zero excess.

The board unanimously approves the contract presented with the new supplier.

- Banco Sabadell:

An informal meeting with Banco Sabadell (Juan Krauel and Enrique Crespo) to present the Strategic Plan and discuss the main pending investments - North Course Irrigation System € 1.2M, Warehouse / Parking € 0.4M and Club House € 0.5M. The Bank is willing to support us with financing under very competitive terms.

### **3.- Actions of the Course Committee.**

Mr Juan Ignacio Egaña, Chairman of the Committee addresses this point.

#### **INFORMATION POINTS:**

- Personnel that make up the Course Committee;
  - o The members of this committee are:
    - Eamon Durran
    - Iñaki Cañal
- Since the entry of the new Board of Directors, and therefore the new Course Committee, the response from the maintenance team and their leaders has been extraordinary and they have earned our recognition and that of many members who appreciate improvements in an ostensible way in the two main courses, manifesting it publicly on numerous occasions. In addition, more than 50 remedial actions have been carried out based upon suggestions made by members.
- The logging and improvement program has continued in the two courses, which is being reported promptly on the club's website through the Greenkeeper's site.

#### **ITEMS TO BE APPROVED BY THE BOARD.**

- Selection of advisers/consultants for the improvement and maintenance of the courses; choice of TAS:
  - After the establishment of the new Course Committee an analysis of the status of the courses, 3 budgets were requested from companies specialized in field analysis and maintenance, with proven results, and finally the entity TURF AGRONOMY SERVICES was hired (<https://turfagronomyservices.com/>) in order to:
    - Carry out an audit of the 2 courses
    - Carry out a continuous and measurable improvement plan for the 2 courses

- Carry out actions with the RCGG staff under their supervision, with certain organizational changes and staff training courses.

The appointment of TAS is unanimously ratified.

– Appointment of Head Greenkeeper and Greenkeeper

- The Committee Chairman proposes (with the support of the Course Committee) and the Board of Directors unanimously approves the appointment of Don Jose Luis Prado Fernandez as Head Greenkeeper and Don Victor Vaca Araujo as Greenkeeper.

- Investments in South Course:

- Irrigation renovation and repairs will be carried out in order to obtain greater efficiency and cost savings in the long term.
- At the suggestion of TAS, and in accordance with those responsible, it is agreed to renew part of the machinery.

**4 – Actions of the Competition Committee.**

Mr Pedro Alonso, Chairman of the Committee addresses this point.

**INFORMATION POINTS:**

- Personnel that make up the Competition Committee;
  - Alejandro Ponce de León
  - Kjell Karlsen
  - Anne Langgard
  - Iñaki Cañal

– Selection of external tournaments

Various external tournaments have been reviewed, and those that offer interesting options for members have been prioritized, to the detriment of those more commercial events, which for now have not been renewed.

- Rules of participation in inter-clubs

A meeting was held with the representatives of all the historical groups and also the non-official groups, with the aim of getting the members of the Board to interact personally with the captains and at the same time to ask for their collaboration. We are trying to open a line of communication between these represented parties and the Board - since they are the ones who channel their requests & we will try to solve those requests as far as possible and as quickly as the situation allows us.

Practically all the captains participated and spoke about the issues that affect them. We have registered those requests and a large part have already been answered. In some cases we have even been able to take action to bring our positions closer together and we will continue to work towards our objective of creating A MEMBERS CLUB FOR MEMBERS.

- Definition of functions in the team

We have held numerous meetings with the teams of Marshal, Caddy Master, club rooms, buggies delivery, cleaning, etc. to learn first-hand the functions that affect them and to understand the work processes they perform. From there we are implementing improvements in all positions, and we intend to give them a higher level of training in accordance with the standards we want for the Club.

#### **ITEMS TO BE APPROVED BY THE BOARD.**

- Competition Calendar

It is approved unanimously

#### **5- Actions of the Social Affairs & Technology Committee**

This point is presented by the president of the Committee, Mrs. Rosaleen Cunningham, together with Mr. Kjell Karlsen,

## **INFORMATION POINTS.**

- Personnel that make up the Social Affairs & Technology Committee:

o The members of this Committee are:

- Michael Jordan
- Lola Crespo
- Pepe Fernandez Reina
- Nuria Maestro
- Eamon Durran

- Improvement of the current reservation system; analysis and proposals

- Taking into account the view of the majority of the members that the current reservation program has many shortcomings it was studied with a view to improving it in the short term until a new system is implemented.
- Firstly a study was carried out to document the deficiencies, and based on them, a series of measures were proposed to improve the situation, among them,
  - Having made a reservations any member who does not show up for his tee time will be issued a letter explaining that this is an offence.
  - Impose sanctions for no-shows in accordance with article 16 of the Internal Regulations of the Club.
  - Disallow bookings more than 4 days in advance.
- After a period of about 10 days, we already have a first result - see attached table - that is devastating when we analyze it, but it clearly demonstrates that the modifications introduced are correct and that the elimination of no-shows generates more tee times for members.



- We are in a testing period and therefore the figures are still provisional. When we have the full month's results we will check if we are on the right track and we hope that the members will value it to the same extent. At that time we will send the result to all members.

JUGADORES NO PRESENTADOS																															
DIAS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
ENERO	30	43	27	27	17	48	204	168	25	23	32	20	16	20	54	47	10	23	26	24	19	35	22	28	18	12	35	44	35	12	42
FEBRERO	31	28	30	20	38	18	23	16	37	83	41	32	24	13	18	25	51	25	44	43	70	15	25	26	40	46	18	18			
MARZO	29	26	43	29	117	65	34	26	13	30	26	38	16	19	25	14	48	14	36	30	17	13	10	33	26	41	18	9	27	29	54
ABRIL	36	27	25	26	25	25	37	41	18	56	23	24	23	92	104	102	17	23	1	3	29	23	16	20	56	29	111	28	5	23	
MAYO	31	21	16	9	17	27	8	0	0	4	1	4	2	0	8	4	4	2	4												
JUNIO																															
JULIO																															
AGOSTO																															
SEPTIEMBRE																															
OCTUBRE																															
NOVIEMBRE																															
DICIEMBRE																															

- Meeting with the captains:

It was held, on April 30, together with the Competition Committee and in the presence of the president, Mr. Manuel Muñoz. It was an informative and organizational meeting with all the representatives of the different groups and nationalities within the club, being very useful for exchange of views and to collect ideas for possible improvements in the running of the Club.

- Plastics Reduction Initiative:

An Environmental Initiative proposal was submitted to RCGG to remove single-use plastic bottles from our golf courses and club facilities. This initiative was approved by the Board. It is agreed to implement measures to gradually reduce the presence of plastics in the Club and we will give instructions so that the beach bars and the bar will remove them from their inventories. It is a medium-term issue but we are committed to carrying it out.

**ITEMS TO BE APPROVED BY THE BOARD.**

- Opening of the 1st floor exclusively for members.
  - o The board agreed that as of April 15, the 1st floor of the restaurant would be only for members, and for their children over 16 years of age. It is considered that it is an issue already implemented and that it has been very well received by the partners. It is ratified unanimously.
- Improved restaurant services; renegotiation of the contract with the lessee. Addendum signature
  - For the implementation of the previous point, and for the improvement of the restaurant services, an addendum to the existing restoration contract of 2017 has been signed.
  - The signing of the aforementioned addendum prepared by the club advisor Carlos Bustillo is unanimously approved.

#### Approval for investment in a new reservation program

- Our team fully agrees that RCGG should change the current management system, the IntraSoft system is not easy to use and inefficient.
- Following an extensive review of golf management systems including software demos, system testing and analysis, the following conclusions have been reached:
  - The current system must be replaced.
  - The best performers, iMaster and Golf Manager, have been tried and tested.
  - It is recommended that RCGG choose iMaster (Golf Spain) for its Golf Management System.

It will take iMaster 3 months from the date of signing the contract with iMaster for them to deliver the required developments that RCGG have outlined as mandatory and these developments must be fully tested by our team once completed

Therefore it is estimated that the new system will be implemented before the end of 2021. A firm date will be published in September. The choice of the iMaster program was unanimously agreed.

- Welcome procedure for new members.

- The standardization of a welcome procedure for new members is approved and when they register their share they receive:

- Detailed information of the facilities, departments, telephones and operation
- You are invited for a guided tour by the manager or designee.
- You are given a welcome pack

This is to reinforce the identity and sense of belonging of the new members. It is approved unanimously.

- Measures relating to pets; dogs

In view of the successive complaints of numerous members, it is agreed, in relation to pets, mainly dogs:

- They are forbidden to accompany members on the courses.
- They are not allowed entry into the club's facilities, with the exception of the bar terrace below, and as long as they are wearing their leash.

## **6 – Actions of the Golf School Committee**

Presented by Alejandro Ponce de Leon, Chairman of the Golf School Committee.

The Committee is composed of:

1. Castor Gomez, professional y director of the School
2. Pedro Alonso, Chairman of the Competitions Committee
3. Ignacio del Cuvillo, Manager of the Club.

Points of information:

Analysis of the teaching in the club:

- The School is in excellent health, as a result of the great work done in previous years by the teachers, Marc Muller and the entire school team.
- Children's camps have been held, in which the following issues have been implemented:
  - Priority to the children of the partners, then to the grandchildren, and if there are places left, to third parties
  - Advance payment
  - Reservation and online payment
  - The one held at Easter was a success.

Exclusively for professionals; exceptions with former employees with temporary rights.

- In accordance with article 24 of the Internal Regulations, the only ones authorized to teach classes at the club are the professionals hired for this purpose by the RCGG. To this end, posters have been installed that only professionals in the Club are authorized to teach.
- No one who is not expressly authorized by the RCGG can teach at our facilities. However, exceptionally, a teacher could be empowered to teach at the club, upon request in writing at least one week in advance and provided it is exceptional and not repeated.
- An exception will be made until the end of the year 2021 so that 3 former employees can each give classes to specific elderly clients who have been with them for years. IdC will send an email with their data to register them.

#### **ITEMS TO BE APPROVED BY THE BOARD.**

1. New contracts and requirements:
  - Professionals who work in the field and will teach classes will have updated contracts, which will replace the existing ones from 2012. These professionals are:
    - Castor Gomez

- Elena Pena
- David Mencia
- Salvador Ruiz

It is approved unanimously.

## 2. School sponsorship by Ping.

It is agreed to sign a one-year contract, extendable, to sponsor the School.

## 3. Improvements in Aza's Corner

At the committee's proposal, the following will be installed:

- Wi-Fi point in the school booth
- 4 cameras for control and surveillance:
  - 1 camera in the practice area
  - Another camera focusing on hole 1 and 7
  - Another on the tee of hole 2
  - Another in the area of hole 3 and 5
- New mats on the starting tees.

They are agreed unanimously.

## 4. Procedure for the use of Par 3 course.

In order to improve the control and status of the Par 3 course, it has been agreed to implement a new procedure for its use as follows:

- Every person who plays the Par3 course must book it.

For the above, you can:

- Reserve or request a tee time from the Caddy Marshall who will issue a ticket.

- o If you are down in the area of Aza’s corner and there is one of the Professional Golfers there you can request a tee time directly from them.
- o If there is no professional or staff member at Axa’s corner and you want to play you can call the caddy master and request a tee time.
- o Every so often a member of staff will check and monitor the players on the Par 3 course.

This will be published and notified to all members for entry into effect.

It is approved unanimously.

5. Free classes for members 2 days;

- It is proposed that the service of free classes to members on Mondays or Tuesdays that were formerly given by one person, will henceforth be given by the club's professionals.
- It is added that these free classes for members will not be, as was previously the case, available in July and August.

The Board approves it unanimously.

6. Requests and Questions

Reading and approval, where appropriate, of the minutes of the General Meeting.

There being no further matters to discuss, the session is adjourned and the present minutes are closed, which, once read, is unanimously approved by the Board members attending at the end of the meeting, then signing their signatures – the Secretary and by way of approval, the President.

President

D. Manuel Muñoz

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Secretary

D. Alejandro Ponce de León

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