

British Eventing Extraordinary General Meeting Minutes

Held at The Loft, NAEC, Stoneleigh, CV8 2LZ on 22nd October 2018 at 2pm

Chairman's welcome

The Chairman of the meeting, Guy Prest, welcomed everyone and explained that he had been appointed by the Board as the Chairman for the Extraordinary General Meeting (EGM). He advised that no official recording was being made of the meeting to allow for free discussion and without distraction. He requested that all mobile phones be turned off and explained that recordings of the meeting were welcomed, but requested that for GDPR reasons, any recordings are advised to all attendees. No-one wished to record the meeting. He then introduced the Board members, Paul Hodgson (Chairman), David Holmes (CEO), Les Smith, Jane Peters, Jude Matthews, Nigel Taylor, Gary Parsonage and Wendy McGowan (Company Secretary), and gave apologies for Fiona O'Hara. The Chairman also introduced Gareth Clendenning from Osborne Clarke, who had been invited to the meeting as BE's legal advisor, and thanked him for his attendance.

The Chairman explained that the EGM had been convened in response to a petition with 107 signatures which had been submitted to BE expressing no confidence in BE's Chairman, Paul Hodgson (PH) and Chief Executive (CEO), David Holmes (DH). The Chairman explained that the Company's Articles of Association require that an EGM is held if more than 100 members request it. The quorum for the EGM is 12 persons whom are entitled to vote on the business to be transacted, each being a member present in person or a proxy for a member. As the requisite quorum was present, the meeting was declared open. The notice of the meeting and an explanatory note had been circulated on 5th October 2018, and the attendees agreed that this could be taken as read.

The petition received by the company contained the following statement: 'I, the undersigned, being a member of British Eventing, request that under the Articles of Association that an Emergency General Meeting is called as I have no confidence in Chairman and Chief Executive'. The Chairman explained that, other than the signatures themselves, the statement represented the complete contents of the petition and that there had been no proposed resolutions. A written resolution had been provided an hour before the meeting, stating the same no confidence motion as the original petition, proposed by Janet Plant and seconded by Pattie Biden, both of whom are members. The Chairman explained that the Board would place the proposal, for a vote of no confidence in both the Chairman and the CEO to a vote later in the meeting. The Chairman advised that the vote would

have no legal standing, and that neither BE's Chairman or CEO could be removed from office as a result of the vote.

The Chairman explained that, due to the number of proxies, the vote would be conducted as a poll, and received confirmation from the attendees that each had received a voting slip. He explained that votes could be for or against the motion, or withheld. He explained that a withheld vote was not a vote in law, and would not be counted. Once voting was completed, the votes would be counted and announced as soon as possible.

Board statement

The Chairman read the following statement on behalf of the Board:

In view of the nature of this meeting the Board have discussed the reason for the EGM. These discussions were chaired by Paul Hodgson in relation to the CEO and myself in relation to BE's Chairman.

In answer to the question - Does the Board have confidence in the Chairman?

The Board met on the 16th October and confirmed their support for the Chairman. However, the Board respects the views of the members and would like to consider the points raised at this EGM and the upcoming AGM. To ensure appropriate consideration and discussion by the Board of any and all concerns raised, the Board has agreed to hold an additional Board meeting on the 6th November and will send further communication to the members after that meeting. As with the BE staff, the Board endeavours to treat all its Directors with dignity and respect and would also like to take the opportunity to thank all current and past Directors for the time they voluntarily give to the sport.

In answer to the question – Does the Board have confidence in the CEO?

We are here to listen to your concerns today and we will take those in to account as we review the CEO performance. Given the annual performance assessment review cycle of the BE management team is about to commence, it would be inappropriate for us to give a direct answer to that question but we can assure you that all the points you raise today will be taken into consideration. It is important to acknowledge that the Board believes in treating all BE staff, regardless of the position they hold, with dignity and respect and believe that discussing an individual's performance in an open forum such as this would contradict that belief.

Before the commencement of the questions and answers, the Chairman noted that all attendees have a common interest and that although diversity of opinion is important and welcomed, it was important that all members' opinions were respected. He requested that all attendees conduct themselves with dignity and respect both in the meeting and going forwards, particularly in respect of social media postings. The Chairman also requested that only questions relating to the motion of no confidence were asked, and that any other business questions could be asked at the forthcoming Annual General Meeting (AGM).

The Chairman opened the floor to questions.

Q&A

Janet Plant (JP), Full Member and Organiser

JP thanked the Chairman for taking on the role for the meeting, and explained that she was one of the 107 signatures on the petition, and had delivered the resolution herself prior to the meeting. She thanked every attendee for travelling to the meeting and for holding the proxy votes, and commented that she felt this demonstrates the passion present in the sport. She expressed the view that the 100 signatories demonstrates the feeling of unrest present in the sport that brought about the petition, and that members had come today in the belief that there would be a fair and transparent meeting. She was pleased to note that the Board had prepared the voting slips in advance with the two motions of no confidence. JP's first point was to express concern over the nature of the voting slips, noting that the poll would be counted by the Company Secretary and that some members were afraid of being blacklisted as a result. She also questioned the rationale of the decision of BE to release the increase in entry fees in the run up to EGM when they would surely be hoping for support from the members. JP felt it had been inappropriate for BE to suggest in the subsequent release that the entry fee was 'organiser's money' as she considered that all money in the sport was in fact members money which should be used efficiently. She closed her comments referencing that both BE's Chairman and CEO visited the Isle of Wight in relation to the running of Osborne House Horse Trials, incurring expenses in excess of £1000, and that BE costs in relation to the event totalled £10k.

In response to JP's concerns on blacklisting, the Chairman asked what proof she had of blacklisting commenting that, in his view, there were no grounds to substantiate this. JP responded that she had no specific proof but commented that, if members felt there was a chance they would be blacklisted, that this reflected poor culture in the sport. **Charlie Lane (CL), Full Member**, asked JP if she reassured those that expressed this view that it was not the case. CL said in his many years in

the sport that is one thing he had never encountered in it. JP said she did not reassure them that this didn't happen, as she had no evidence that it did not. She noted that there was no evidence that it did either.

Christopher Nicholson (CN), Supporter Member

In response to the comments on blacklisting, CN commented that in hunting, blacklisting is not uncommon and that due to the crossover between hunting and eventing, he would not be surprised that there were some issues around this. CN asked the Board why the IT project had taken so long, and why the Board felt it should not be held responsible for this. He also asked the Board why the website is technologically out of date.

PH advised that a detailed brief on the IT project had been released a few days earlier which had originally been prepared in advance of the AGM, but which it had been felt would be useful for members to read ahead of the EGM. The note included details on governance, structure, management, timeframes and the budget, for which the latter is currently coming in at just under £2million. It was clarified that the expenditure on the IT project has been from the reserves and has not affected the day to day operational budget. PH explained that the project is divided into four parts, the first of which was the CRM element, which is currently being used within the Head Office and is working successfully. The second part was the element which gathered safety data, which is also currently in use. The third is the new website, which is currently forecasted to go live at the end of 2018, and the fourth is the EARS (Entries, Administration, Results and Scoring) system, which is currently starting live trial, ahead of full release in 2021. PH stressed that the decision to revamp the entire IT system was the right one, as the current system is ageing and it costs increasingly more to keep it running plus BE are aware that Paul Harris will be stopping his work with BDWP at the end of 2019. PH explained that after a review of the market, Salesforce was selected as an enduring and resilient platform to provide the foundation for the new system, but acknowledged that the delays have been significant and challenging. PH noted that the Management Team is currently spending approximately 25% of their time on the IT project, that the CEO is providing weekly reporting to a subset of the Board, and that significant effort is being put in to move it forwards as quickly as possible. PH said that Fiona O'Hara, a Director at Accenture, had been beneficial to the project, and had assisted in leveraging as much as possible with the contractor. PH said that there had been a difficult time at the end of 2017, when there appeared to be deadlock between BE and the contractor. He also noted that a meeting had taken place with himself and others from the BE Board with, Make Positive, the lead contractors on the IT project, to discuss the delay in delivery, and

explained that recently negotiations had led to a compensation sum being receivable by BE, although due to the commercial sensitivity the terms could not be made public.

The Chairman added that when he joined the Board four years ago, none of the current directors were in office and that this IT project followed a prior attempt at which £300,000 had been spent on a project which had been unlikely to work due to the lack of an underlying CRM platform. As a result of this, the new Board had taken advice and looked at all the options, before making the decision to select a solution which was future proof. The Chairman noted that a lot of time and effort has been put into both the project and into holding the contractors to account for their delays.

CN thanked PH and the Chairman for the full and open response. He also suggested that having an IT/financial professional on the Board, or a digital marketing expert, would be beneficial to the Company. PH and the Chairman explained that they are both in the financial sector, and the IT project manager, an IT specialist, has been leading the project since its inception.

David Holmes (DH), CEO, added that there were three main reasons why the IT project has not run smoothly. Firstly, the contractors, Make Positive, had underestimated both the scope and cost of the project, which became evident upon the completion of Release 1. As a result, the remaining stages of the project had required re-ordering. There had also been a breakdown of a relationship between Make Positive and one of their main subcontractors, Brightsites, which had ultimately meant that BE had needed to contract with Brightsites independently to ensure the project completed. Secondly, DH highlighted the problems within Make Positive in relation to the lack of continuity in their project managers, with the project now being on its fifth project manager. Thirdly, DH noted that Make Positive have challenged BE at each step in relation to whether or not business requests have been deemed to be change requests, and hence outside of original scope of the project.

CN thanked all for the full response.

Mike Etherington-Smith (MES), Honorary Life Member and previous CEO of BE

MES explained that as previous CEO of British Eventing, he was formerly heavily involved in BE and was intrigued by the calling of the EGM. He firstly asked if Suzie Cotterill was present. JP responded that she was in court so unable to attend. He relayed to the room that he had met Suzie in France recently and that she had explained to him that she was behind the petition, so commented that he felt it was a shame that she wasn't present. He then asked of the attendees present, how many were of the 107 who signed the petition. The total was four.

MES noted that the discussion on the IT project seemed more appropriate for the AGM, and asked the signatories why they have selected the CEO and Chairman as the target for a vote of no confidence, and what they would like to achieve from it.

JP replied that there are many reasons why the motion was called, and that the backlash seen on social media was not what the signatories wanted or intended. She explained that the reason the EGM was called is to express how upset many members of BE were and are currently, and that they have been put off in not being able to get through to DH and PH, and that they wish for the Board to take this forwards. JP also stated that although the vote has no legally binding effect, the Board has a legal obligation to their stakeholders to provide a high standard of service. She noted that one of the reasons for the unrest was the treatment of certain people, for example the ex-Under 18 Chairman. JP requested that the BE are more open and transparent. JP expressed regret that only four of the 100 signatories attended, and that the reason for this may be that the meeting was held on a Monday afternoon rather than a weekend which meant work commitments may have prevented many from attending.

MES requested that JP clearly answer why the Chairman and CEO have been singled out, as he did not understand what they had done wrong, or had done wrong badly enough to justify the petition being raised.

JP replied that, as the heads of the Company, they are the two people who should be accountable and if it is felt that they are not doing the job to the expected standard, the signatories felt they should be removed. JP noted that the wish is for the vote of no confidence to be registered, and for the Board to take note of this. JP expressed her positive thoughts on the news that the IT project is now moving forwards with results being seen. JP conveyed the upset felt when PH spoke to her at Bramham Horse Trials and said that he ran his event so he could set any losses against his tax, as he is a large taxpayer.

PH responded, assuring JP that the Board is here to listen and that they care. He said he would like to hear a list of the issues presented as they need to be out in the open. PH stated that he goes to events regularly so that he can stay in touch with the stakeholders of the sport, and feels as though he does have an understanding of what goes on. PH acknowledged that he is paid £5k a year and has his travel expenses paid to events and BE meetings. PH commented that he does have an understanding of the difficulties presently facing organisers and competitors, having run his own event for 18 years, which had classes from BE90 up to Intermediate. PH said that he felt it was inappropriate for JP to bring up a private conversation he had had with her at the EGM, but that as it

had been brought up, for clarification the conversation related to the fact that as the horse trials is run on PH's own farm, as part of a partnership, and that in the years it makes a loss this is offset against his taxable position. The Chairman requested that the meeting move on to the next question.

Jayne McGivern (JM), Owner and Full member

JM stressed that the point of the EGM centres around the vote of no confidence in the Chairman and CEO, and that any other matter is for the AGM, including the IT project and the Commercial and Marketing Strategy. She noted that many members support the Board, Chair, and CEO and that discussion on social media is not a reason to call an EGM. She expressed the view that the Board does a good job in difficult circumstances and they do make an effort to listen to the membership. She noted that she has taken the day off work because she was keen to understand the issues and why the EGM was called. She suggested the other 103 signatories who did not attend could have done the same. She also commented that she did not feel she had heard a concise and specific reason as to why the vote of no confidence had been put forwards, and for this reason proposed to conclude the meeting and put forwards the vote. The Chairman explained that his remit is to understand why the motion had been put forward, and agreed that the issues needed to be kept relevant.

Robin Salmon (RS), Life Member

RS asked what the cost of the meeting had been. Company Secretary, Wendy McGowan (WM) replied that including the legal advice, room hire, postage and other associated circulation, the cost had been £5.5k. She estimated the time spent from normal business as a result of the EGM has cost the Company in the region of £2.5k. The Chairman noted that this also didn't take into account most of the Board, whose time is unpaid. RS said that he did not think many of the signatories knew what they were signing, and it concerned him that the signatures have cost this much to the business.

PH asked how long it took to gain the signatures, and Alex Fox (AF) replied that the signatures had been obtained on one day. AF noted that they had wanted to bring to the attention of the Board the mistrust of the members in the decisions that have been made on their behalf, stressing that it is up to the Board to take corrective action. She felt the meeting had been called to gain the Board's attention. She noted that she felt that there were only 107 signatures as the full member base had not been asked to sign. The Chairman noted that only four of the 107 had turned up to the EGM and AF countered that the signatories had made their views clear and therefore did not need to turn up.

Hugh Thomas (HT), Full Member and Organiser of Badminton Horse Trials

HT agreed with JM, noting that, although he has certain disagreements with what the Board is doing, he has total confidence in the Chairman and CEO and felt the EGM was a waste of time and money.

Lisa Hughes (LH), Full Member

LH stated that she believed that calling for an EGM is part of a political process to enable certain people to be re-elected onto the Board.

Cathy Butler (CB), Owner Member and Chair of the EHOA

CB noted that the signatories for the petition were collected at Aston-le-Walls after Badminton Horse Trials, as she was asked to sign. She commented that she has always found there to be direct access to the Board, and many platforms of communication within the Company, and the time and the place to voice concerns is through these and not through an EGM.

Jan Cottam (JC), Full Member and Chair of the BEOA

JC voiced that the BEOA has been contacting the Chair and the CEO consistently over many months with concerns, and that although it has been difficult there has been increased communication recently, and things had been improving. She noted that as a Committee, the BEOA are confident that the correct path is being trodden, and that the EGM is not the correct place to discuss the specifics and these discussions should take place at the AGM.

John Lawrence (JL), Honorary Life Member

JL expressed concerns over the format of the AGM in previous years, noting that although information is provided at the meeting there is very little opportunity for Q&A. He noted he came to the meeting today because of the letter that PH distributed prior to the meeting, setting out the key issues and the answers to these, and that he came to listen and hear what was being said. He commented he is fearful that the issues wouldn't be discussed at the AGM, and noted that members need to have a say and the Board needs to be held accountable. JL also asked the Board how it is going to retrieve the planned £2 million of reserves by 2025, as this equates to an extra £25 per member per annum.

PH replied that the Board is there to serve and they recognise these valid issues that have been brought forwards. He asked that this question is brought to the AGM, and stressed that the Board is open to having this discussion and interaction with the membership base. PH also acknowledged that the AGM held at Osberton in 2016 had been cut short due to the need to fit in with the event schedule and that he was sorry this had occurred.

He noted that something positive needs to be brought from the EGM to recompense for the cost.

Peter Durrant (PD), Honorary Life Member and former CEO of British Eventing

PD urged the Board to take a step back and look at the sport as a whole. He noted that it is a unique world class sport and that a passionate base of people supports it. He felt that it is easy to lose sight of the fact that we have the well-funded elite side of the sport, but that BE must also concentrate on the lower levels too. He noted that the Board needs to be good at listening, and commented that he feels politics should be avoided and the core business elements of the Company focussed on.

Kim Pengelly (KP), Owner Member and Volunteer

KP wished to second what was said by JL on the issues with the AGM, and expressed that she had found it difficult in the past to find opportunities to talk to the Board and ask questions. She raised the concern that there is an issue with communication in the sport, both up and down, particularly with volunteers, and voiced her concerns that volunteers are not represented on the Board. She commented that with consideration of the vote of no confidence, if the intangibles of BE's business were taken into account she thought that BE made a loss of nearly £1 million over the past two years, which is not sustainable and is not being countered by an increase in members.

PH proposed to address the concerns over the accounts and volunteers at the AGM, and agreed to explain and answer any questions on these subjects. In response to the issues around the AGM, the Chairman noted that attendance in the past has been very low, and seeing many people at the EGM is a positive step.

Bruce Haskell (BH), Full Member and ERA Chairman

BH stated that he was a signatory of the petition as an individual and not in his role as Chairman of ERA.

BH noted that communication has increased between BE and ERA, BEOA and EHOA and expressed positive feelings on this. He requested that communication on key points of the business is improved, and quoted the most recent IT project update as being a very good example of this being done correctly. He agreed that attendance at the AGM in previous years has been poor. He reiterated the need for positive dialogue going forwards.

Karen Gray (KG), Full Member

KG stated the reason for her attendance today was due to confusion over whether she had confidence in the Chair and CEO of BE or not. She noted the reason for this was that she had

previously stood for election and in the earlier stages of the IT project, Eventing Ireland (EI) offered support and help having gone through an IT update themselves recently, and this wasn't taken up. She requested that the Board recognises that it is a good thing to ask for help, and expressed the view that BE would be in a better place if it had done this early on. She noted that the BE IT project has cost close to £2 million when EI's cost £80k.

PH noted that the two systems are on very different scales, and that BE looked for the best platform to service the sport for a long period of time. JM noted that the EI system is completely different, and although it works perfectly well it is not specific enough. KG stated that she was not suggesting the EI system was right for them but that the Board should have interacted and engaged in order to potentially avoid pitfalls.

Chantal Siddle (CS), Full Member

CS asked why it had taken an EGM for BE to release the briefing on the IT project that was released a few days prior. PH explained that the briefing was always intended for the AGM, but was released early in order to provide members with appropriate information ahead of the EGM.

PH acknowledged that communications could be improved between BE and the membership. He noted that on the day the signatures for the petition were collected, he had been to Aston-le-Walls to talk to members and had received a strong message that improved plans were needed to react to the wet weather. JP noted that her signatures were not collected as Aston-le-Walls, but that they had been collected in June. AF stated that it is irrelevant where the signatures were collected, and said that it was good to see so many gathered at the EGM to express views and have a dialogue with the Board. She noted she would like to know what is happening with the Under 18 programme. PH requested that this was brought up in the AGM and assured AF that the Board is available consistently to listen and respond.

Tissie Reason (TR), Full Member

TR requested that the Board takes note of the AGM that took place at Osberton Horse Trials two years ago, where there was no opportunity to have a Q&A after the updates and asked that this is addressed for future AGMs. PH and the Chairman agreed that improvements must be made to enable efficient dialogue at the AGM, but noted the AGM referred to was held at Osberton in an attempt to make it more accessible to the member base, and unavoidably the meeting was unfortunately under the time constraints of the event and therefore regrettably the Q&A was not of sufficient quality.

There was a feeling from several in the room that there had been insufficient time allowed for questions from members during past AGM's but also that membership attendance at AGM's was very low.

Wendy McGowan (WM), COO of BE, on behalf of a member

WM, on behalf of a member that sent the question prior to the meeting, asked the signatories how they planned to increase sponsorship at the top and bottom end of the sport. The Chairman added that he had been involved in the Commercial and Marketing Strategy from its inception and that the sport cannot afford to stay where it is with regards to commerciality. He noted the commercial climate has changed dramatically in the last two years, that it will continue to change, and that the Board has realised that BE needs to help events find sponsorship and therefore work has been done with this in mind. The Chairman asked JP if she felt the Commercial and Marketing Strategy is of benefit, or if she had alternative suggestions. JP stressed that she had argued previously that the Strategy is of great benefit, and that the issue lay with how BE allowed events to use the Commercial Guide that was created as part of the project. JP expressed that it had taken months for BE to come to a compromise on letting events tailor the Guide for their own use.

Rob Pope (RP), Commercial consultant at British Eventing, explained that the initial Commercial Guide was created with the aim of selling the sport from the top down, and the intention was always to produce a Commercial Guide that national events could use. He noted that there has been compromise on creating bespoke versions of the Guide for events, but that it is imperative that the sport is sold as a single commercial message as in the past there have been conflicting, muddled and complex messages given out. RP commented that the Guide can be modified as a bespoke version from BE for each event that requests it, and apologised to JP if she felt this was insufficient. He noted that without talking as one, the sport will not get commercial support, and highlighted that the biggest threat to eventing is the move to digital occurring in the sporting world. He explained that the IT project is supporting this move and providing the platform of digital that sponsors are looking for. He explained that the work on the Commercial and Marketing Strategy could never be completed in a year, hence why it is a five year plan. RP expressed his confidence in the Board. The Chairman noted that as a sponsor of BE, he felt that the sport has been somewhat amateurish in the past with respect to the commercial aspects, and that the work that has been done so far to pull BE's assets together gives a good proposition to sponsors and professionalises the sport.

JC expressed concerns that BE must not lose sight of the sport, and that she did not feel valuing the industry as 60% sport and 40% commercial was sufficient, and that it should be closer to 70% sport

and 30% commercial. The Chairman explained that commercial side of the sport is of greater value than many think, as organisers are struggling to make ends meet and therefore the money must come from sponsorship as the member base does not want the cost of the sport to increase in order to fund the continuation of the sport.

Closing Statement

PH thanked all those present for attending the meeting, and acknowledged the passionate and engaged member base. He acknowledged the clear message about improving communications, and stressed that the Board came to the EGM to listen and understand the issues. PH expressed his gratitude to both the Board and the Management Team for the work which had gone into the EGM, and acknowledged the need to understand the views of the signatories, and noted that in the future thought must be given to the necessity of the EGM and whether the articles need to be reviewed and other methods of communication used to ensure the member's views are upheld in order to avoid unnecessary cost to the sport.

Motion of no confidence in the Chair and CEO of BE

The Chairman formally proposed that the meeting moved to voting, and reiterated that a vote 'for' is in support of the vote of no confidence and a vote 'against' is not in support of the vote of no confidence. He also stressed that the engagement from members seen at the EGM is needed at the AGM, to allow for discussions aimed at benefiting the sport.

The Company Secretary requested via the Chairman that two volunteers from the floor be selected to observe the counting of the votes. Malcolm Wharton and Nicky Salmon, both members, agreed to undertake this role.

The meeting was adjourned whilst the count was undertaken.

The meeting was reconvened to announce the result after 20 minutes

The results of the motions put forwards for voting were as follows:

Motion of no confidence in the British Eventing Chairman:

For: 102

Against: 161

Motion of no confidence in the British Eventing Chief Executive:

For: 148

Against: 155

Therefore, neither motion was passed. The Chairman thanked all those who attended and concluded the formal business of the meeting at 16.32pm.