

Governance Survey

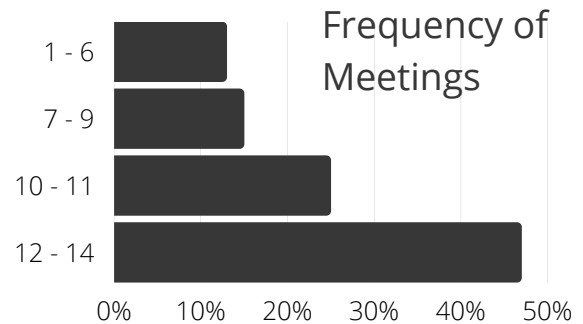
PLATINUM CLUBS® SURVEY RESULTS

The Private Club industry is a unique and exclusive market, and Club Governance plays a crucial role in ensuring the successful operation and long-term sustainability. The findings from the Club Leaders Forum Governance survey, with participation from Platinum Club General Managers, CEOs and COOs across all categories (Golf, Country, City, Yacht and Athletic), shed light on the importance of effective Club Governance.

89% of licensed Platinum Club General Managers, COOs and CEOs from Platinum Clubs of America, the World, Asia-Pacific, and Europe & Middle East responded to the Club Leaders Forum Governance survey.

Board Demographics

Of the Clubs surveyed, the following chart depicts the frequency of Board meetings annually:



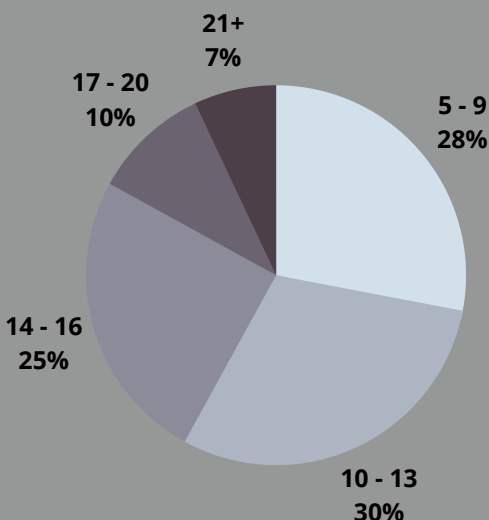
The average length of Board meetings is:



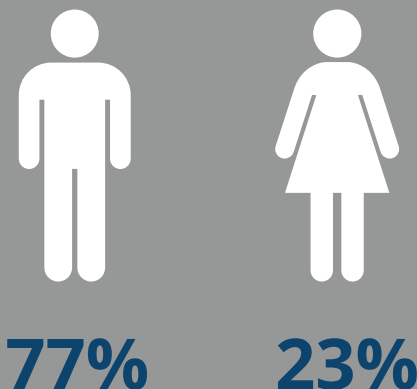
48% of the responding Clubs reported they conduct an offsite retreat for the Board annually.

77% of the Clubs indicated that there is a formal Board orientation process.

Number of Board Members



Composition of the Board



73% of Clubs indicated their Board Members execute a confidentiality agreement prior to serving.

General Managers surveyed were asked if Board Members are goal or agenda driven.

65% Goal Driven
35% Agenda Driven

When asked how their Board Members are elected, surveyed General Managers responded:

- 15%** by a popular election of multiple candidates
- 80%** by a slate proposed by the Nominating Committee
- 5%** by a combination of both

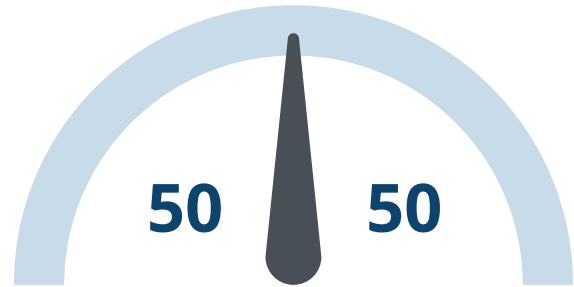
Board President

The length of the President's term at the Platinum Clubs that were surveyed is:

- 53%** - One year
- 35%** - Two years
- 12%** - More than two years

60% of General Managers indicated there is a formal succession plan for Board Presidents.

When asked if their President is able to serve an additional year, responses were evenly split.



62% of the surveyed Clubs reported that their past Presidents engage in post-term meetings. For these Clubs, the frequency of such gatherings is as follows:

- 64%** - Annually
- 30%** - Two times per year
- 6%** - More than two times per year

Additional Board Insights

7% of respondents indicated they have a non-voting junior advisor.

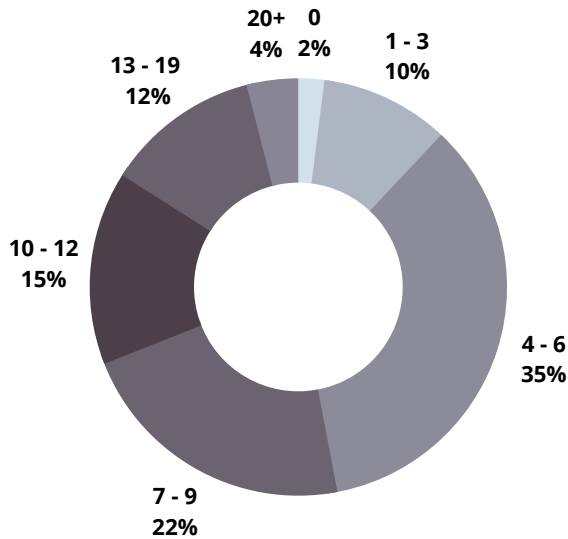
35% of Clubs surveyed believe their Board election process does not attract the most qualified candidates.

58% of Boards utilize the services of an outside consultant to support Club Governance.

82% of Clubs have a Board approved Strategic Plan.

Club Committees

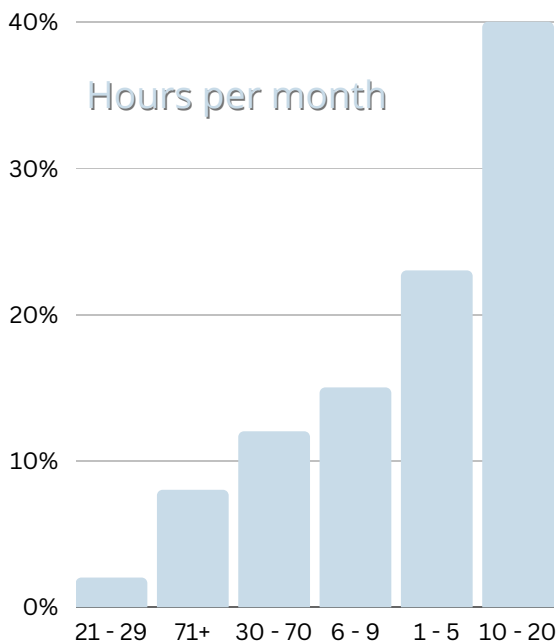
General Managers were asked how many Standing Committees exist in their Club.



73% of General Managers attend Standing Committee meetings.

57% of Clubs surveyed have a dedicated Discipline/Grievance/Standards Committee.

The number of hours per month respondents prepare for and attend Board and Committee meetings:



When asked how many other recognized Committees exist in their Club, General Managers responded:

- 6%** - 20+
- 12%** - 6 - 10
- 12%** - 11 - 15
- 70%** - 1 - 5

Other Governance Topics

The following outlines the entities responsible for reviewing the compensation of General Managers, CEOs, and COOs:

62% A Dedicated Committee

36% The President

12% The Board

Percentage of Clubs surveyed that run under a CEO/COO model by title.

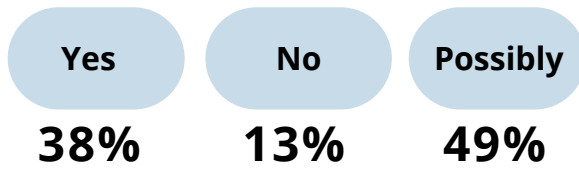


39% of General Managers who stated that their Club runs under at CEO/COO model have the power of a CEO/COO.

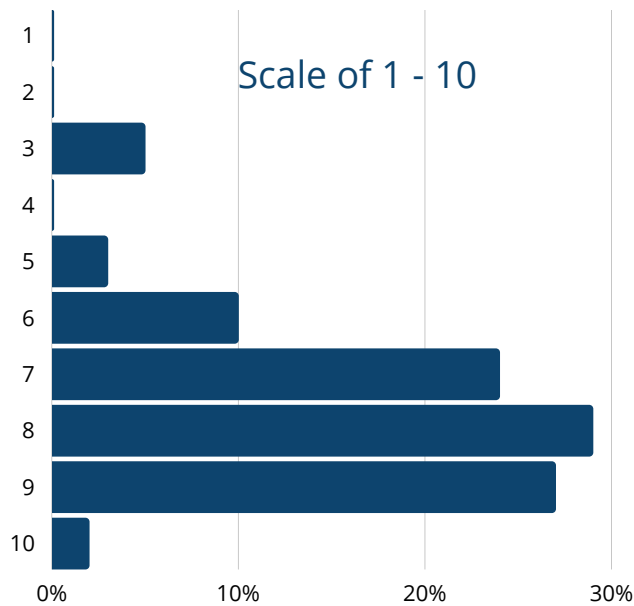
Respondents indicated their Bylaws were last amended:

- 8%** - 10+ years ago
- 13%** - 6 - 10 years ago
- 29%** - 4 - 5 years ago
- 50%** - Within the last 3 years

If presented with the values and benefits of a more effective Governance structure, General Managers believe their Boards would be open to change as follows:



On a scale of 1 - 10 (with 10 being the most efficient), General Managers evaluated their Club's current Governance structure accordingly:



52% of General Managers indicated they plan to amend the Club Governance Structure within the next three years.

Respondents expressed that their vision for their Club:

- 12%** - Is not aligned with the Board
- 40%** - Is somewhat aligned with the Board
- 48%** - Is completely aligned with the Board

"My one change would be..."

Participants were asked to identify the one change they would make to their current Governance structure. The following is a sampling of responses.

I would like our Board to function more as one unit vs. nine individuals. Too often we are making decisions because it is easier or it benefits a certain group.

I would like my Board to understand how dysfunctional they are and commit to a restructure.

My one change would be to attract the best talent in the Club who will make a difference.

I would like to work with a Board that stays focused on strategy and finance and let the professionals do their job.

I would like to reduce to 3 - 5 Committees in total.

My title is CEO without the power, my wish is for the Board to vest power in management and hold us accountable.

Extend the term of President to three years with a succession plan in place.

Work to align my team's vision with the agenda driven vision of my Board Members.

I would like a President that wants to serve and not one that needs to serve for personal gain.

Reduce my Board to 9 Members and meet quarterly with a two-day Board retreat once a year.

Change to a slate in the election and get away from the popularity contest .

Have Board Members removed if they persist in promoting their own agenda.