

EXTRAORDINARY ANNUAL GENERAL MEETING REAL CLUB DE GOLF GUADALMINA:

REPORT OF THE DIFFERENT DECLARATIONS MADE AT THE ASSEMBLY

After apologizing for the delay due to the number of Members attending, Mr. President thanked the attendees for their presence, and proceeded to refer to the most relevant aspects of the management by the current Board of Directors since its appointment in March 2021.

It is stated for the record that the quorum of attendees and those represented is more than sufficient both for the third call and for the reinforced quorum required for the eventual approval of the items on the agenda that so require.

Mr. Muñoz explained the origin of the formation of this Board of Directors and the basic principles of the management program presented for the elections, under a Master Plan called "CLUB DE SOCIOS PARA LOS SOCIOS" (A MEMBERS CLUB FOR MEMBERS).

Under this plan the main points were:

- The golf courses are the most important element of the Club.
- Competition Committee: basic element for the management of the whole sporting life of the Club and responsible for managing the members' outings.
- Financial Management: to correct imbalances in the balance sheet structure.
- Creation of an exclusive area for Members
- Improve communication between the Board and the Members
- Transparency in the management of the Club
- Manage the integration of new members into the social life of the Club
- Promote HR development by enhancing employees' careers internally.

THE CURRENT STATUS OF ACTIONS CARRIED OUT OVER THE PAST 9 MONTHS.

GOLF COURSES.

In this area, which is a priority for us, we decided that it would be much more effective to use the services of professional golf course maintenance specialists. After a selection process, we chose the company TAS, which has extensive experience in the comprehensive management of golf courses at an international level (for example, the management of the Paris golf course where the last RYDER CUP was held).

After signing the contract, an audit was required to detect, from a technical point of view, the weaknesses and options for improvement both in the courses and in the management of equipment and personnel. Based on this analysis, the roadmap and the actions to be taken were determined.

During this short period of time and following their instructions, the Course Committee has supervised the implementation of several improvements to the South Course irrigation system, fairways, tees, access to tees, bunkers, redesign of buggy paths, tree cutting, embellishment, green nursery which are now being reflected on the courses and which will continue in the future.

A plan to renew all the obsolete machinery was also launched. This change will be carried out in two phases: the first is completed and the new machinery is already operational; the second will begin in 2022. Following the completion of the second change, 80% of our equipment will be the latest generation equipment, which will allow work to be carried out more efficiently and with better results, reducing maintenance costs and time lost due to breakdowns.

The other key measure has been to conduct personnel interviews with maintenance staff. We created training plans and reorganized the teams to modernize work processes and make them more efficient. These initiatives are fundamental for the future and the results are expected to be noticeable and important.

Regarding the North Course, the audit has identified numerous areas for improvement, the most important being the irrigation system, which is completely obsolete. It is more than 40 years old and operates with huge expenditure in term of maintenance and water. An action is needed as soon as possible.

The Board of Directors considers this a very important initiative, as we believe that the North Course must be restored to its original glory so that it can regain the prominence lost over the years.

This will be an ambitious project that we plan to carry out in two years time. During 2022 we intend to prepare the infrastructure, which will require us to close the North Course for several months. Therefore, due to the difficulties involved in this project we do not intend to carry out the work until 2023

COMPETITION COMMITTEE. -

The main objective, which is still a priority, is to increase the number of available spaces so that members can make their bookings more easily. There are numerous complaints from members who find it difficult to book their outings and this is something that is of great concern to the Board.

Based on this objective, the Committee has taken a number of initiatives:

- Various tournaments that were not a high priority for the Club have been eliminated.
- The previous booking system has been amended and no-shows at the tees have been reduced from 20 to 30 no-shows a day to 1 or none.
- The sale of green fees to TTOO, Hotels, Agencies... has been cancelled.
- We are working with the Guadalmina Hotel to manage the possibility of diversifying their tee times and informing the Caddy Master in advance of the times not being utilized so that we can make these times available to the members.
- We have introduced a non-member fee for guests who use the facilities of the club, in order to improve our goal of a Member's Club for members.

One of the most important initiatives has been the implementation of a new integrated Golf Management System headed up by the head of technological implementation. This application represents a major upgrade for the Club and for members, who will now be able to interact much more with the Club and with each other through the application on their mobile phones.

With the implementation of this new system, all members have access to the daily schedule at the same time as the Caddy Master. This is a step forward in our commitment to transparency, and this is one of the most important points.

Very soon all bookings will be ONLINE and the Caddy Master will only be able to book 30 minutes after the ONLINE booking process has been opened. This will avoid any doubt or suspicions among the members.

The system is still in a trial period and certain anomalies have been detected in the bookings, such as multiple bookings with different names or alternating names. These will be followed up and members who do not act ethically in this matter will be sanctioned as it is prejudicial to others. This will be corrected in the future.

Action has been taken to reduce employee tee times. Also, courtesies to Professionals and others have been reduced, as they are not possible to maintain.

With the new system, something has been revealed which we already knew about, but which, until seeing it in the application, had not been fully appreciated. I am referring to the historical national groups that have blocked times and are generating many complaints from members.

The Board is aware of this situation and with the respect that these groups deserve, as they are made up of members like us, we have to communicate these complaints to them and try to resolve this conflict that is generating problems of harmony among members.

For the future of the Club it is essential that all members have the same rights and obligations.

FINANCIAL STRUCTURE. -

Regardless of the fact that the Treasurer will now give a more extensive account of the current financial situation, I would like to say that, when we took over the management, we detected that, although in general the finances were healthy, in our opinion, there were certain structural imbalances. These needed to be addressed as soon as possible and the processes changed to ensure that these are resolved now and into the future.

For example, we believe that it is essential to adjust current expenses to current income and to direct all extraordinary income towards improvements in the courses and facilities, as well as to reduce some specific items.

As the most relevant item, personnel expenses represent a very high percentage of the expenditure and with a rising expectation, and a need for some additional employees, action in this area was urgent and important.

After several months and meetings, specific agreements have been reached that have allowed us to adjust these costs by significant amounts and we will be able to hire the necessary employees, without putting further pressure on the accounts.

In this matter, my sincere thanks to the individuals concerned who have been able to put the best interests of the Club in front of their own personal interests, thank you very much from the bottom of my heart.

Another important milestone has been that today, after several months of negotiation, we have signed the Collective Bargaining Agreement for 3 years for the rest of the staff. I would also like to thank the Workers' Committee for their willingness to reach agreements that in time will be very beneficial for the Club and also for the employees, for the security provided by belonging to a healthy company and with all the future guarantees that an employee needs.

A chart is shown with the percentage of personnel expenses and we go from the year 2018 which represented 58.62% and our forecast for 2022, which we hope to be around 44%. This target is very difficult to achieve, but that is our reference point and that is what we have to work toward.

On the other hand, all the facilities, headquarters, courses, machinery... lack investment despite the fact that over the last 7 years the fees have increased 6 times.

HUMAN RESOURCES. -

Our policy is one of clear commitment to our employees, we want to train and promote the Club's staff as much as possible.

For us it is essential that any replacement or promotion be covered first by Club personnel. We have done this on three occasions and will continue to do so, unless the characteristics required by the position make this impossible.

This year, important positions such as the Operations Manager, the Head Green Keeper and the Assistant Green Keeper have been filled, to our complete satisfaction.

We are also in the process of reorganizing the teams and personnel are being selected to cover the current needs.

COMMUNICATION. -

In this area we have also made good progress and this is already acknowledged by the members. The on-line suggestion box has been set up and is being widely used by members.

However, we will continue to make progress in this area as it is our wish that the members are informed of all the decisions that are taken.

I would like to mention the case of the beach bar on the 11th hole, where the interaction between everyone worked very well. I would like to inform you that the relevant appeals have already been lodged and that we are currently awaiting the decision of the competent Court.

FACILITIES. -

EXCLUSIVE AREA FOR MEMBERS. -

“The members only” area is now open and to the total satisfaction of the members. Improvements have been made to the terrace and we are now analyzing options to improve the sound proofing of the restaurant.

NEW PARKING.

After reaching an agreement with the Town Hall, we proceeded to demolish the old maintenance area that was in a state of ruin and we have built a car park with 37 spaces that will reduce the parking problem. We are aware that it is not the definitive solution, but it will help.

INTEGRATION OF NEW MEMBERS. –

Here we want to work more on this process, as there are still new members who are not integrated, and it is important for the social life of the club. We miss the usual club celebrations that we are unable to have now because of the pandemic, but we hope that we will soon be able to return to normality.

I believe that nothing important has been left out and in any case questions can be asked under the " Questions and Answers " section, I now give the floor to our Treasurer Mr. Cyril O'Mahoney.

STATEMENT BY CYRIL O'MAHONEY

Mr. Mahoney gives a description of what the ten months of management has been like.

We started the year with a conservative budget, and we studied at all the areas where savings, or better prices, could be achieved.

We were concerned about revenues in the first quarter of the year, but as COVID conditions eased over the course of the year, we saw an improvement in revenues.

When we reached the months of July or August, our budget vs. actual improved by 200 K euros, and we prepared to undertake the necessary expenditures to upgrade our courses to reach the standards of neighboring courses such as Aloha and Las Brisas.

In April we met with the General Director of Banco Sabadell, and explained our investment plan and our projections for the next seven years. His response was extraordinary, full of support and confirming that if we could maintain the outline of our projections they would support us from start to finish.

This predisposition allowed us to take the decision to undertake some of the improvement works that the Course Committee had programmed, some of which are already underway, at a good price and with good quality.

In total it is planned to spend double the initial budget for golf course maintenance expenses, about €500 k, Included in this amount is the change of sprinklers on the South Course of almost €180 k. It is very important that we have this work carried out because by doing so now we will not create further discomfort to the players when we have to carry out work on the North Course.

As you already know, one of the most important projects will be the upgrade of the North course irrigation system, which is more than thirty years old, with fiber cement pipes,

We continued in the month of October and November with new additional income of more than €200 k over budget, and we again offered that amount to the Course Committee for projects within 2021.

New electric gates on holes 1-2 and 7-8 in the north, a new green nursery, improvement on the 1st tee of the North course, and we continue in a great financial situation and liquidity, it is true that Guadalmina Golf S.A. has a credit of €3.500 K, I was concerned about the possibilities of repayment of the loan, especially because of the impact of COVID, so we approached Banco Santander to see if we could advance payment of part of the loan, but the conditions of the loan required a 3% prepayment penalty and we would not consider it.

We have complied with Santander bank with payments.

To cope with the obsolescence of the electric buggies, some of which are more than 8 years old, we had to incur expenses for the replacement of batteries, which indicated that we had to change the current fleet to gel batteries instead of lead batteries, by signing a fully deductible lease agreement with Banco Sabadell.

We have also started a RENOVE plan for machinery, which again we have signed with Banco Sabadell, as the other bank we work with has indicated that in the opinion of their risk department Guadalmina (Club and SA) represented a lot of risk due to the loans for the purchase of the shares of GGSA owned by Martinsa Fadesa.

This project, which will be repeated in the future with new RENOVE plans, will improve the efficiency in the maintenance of the courses, as well as reducing repair costs, and will allow us to program the renewal of machinery in the future.

If anyone needs clarification on any aspect of the accounts I will be happy to answer.

Let us now turn to the presentation of the 2022 budget, as well as the proposed annual dues. Based on the September results, we prepared an initial budget, which showed very positive figures, but we have taken a more conservative approach, considering that the effects of COVID19 have not yet dissipated.

We have drawn up a budget similar to 2021, taking into account that this year has been marked by the pandemic for part of the year.

Mr. O'Mahoney presented the budget, which had been presented to Members with a total income of



Real Club de Golf Guadalmina

Annual Budget 2022

| | | 2022 |
|----|---------------------------------|---------------------|
| | PRESUPUESTO ANUAL GASTOS | |
| 1 | LEASE CONTRACT | 703.480,96 |
| 2 | RENTING (MACHINERY & BUGGIES) | 267.500,00 |
| 3 | REPAIRS | 207.524,80 |
| 4 | GOLF COURSE MAINTENANCE | 470.000,00 |
| 5 | SOFTWARE I.T. MAINTENANCE | 42.000,00 |
| 6 | GOLF COURSE ADVISORY | 50.000,00 |
| 7 | EXTERNAL SERVICES | 88.474,33 |
| 8 | INSURANCES | 46.375,00 |
| 9 | BANK SERVICES | 7.000,00 |
| 10 | DRINKING WATER | 30.000,00 |
| 11 | IRRIGATION WATER | 55.000,00 |
| 12 | GAS & ELECTRICITY | 108.500,00 |
| 13 | FUEL AND PETROL | 49.200,00 |
| 14 | SEEDS, FERTILIZERS , PESTICIDES | 85.800,00 |
| 15 | STATIONERY AND OTHER EXPEND. | 14.000,00 |
| 16 | TELEPHONE AND TV | 25.800,00 |
| 17 | CLEANING PRODUCTS | 11.400,00 |
| 17 | E.U.C.I. GUADALMIA ALTA | 58.000,00 |
| 19 | CLEANING SERVICES | 23.700,00 |
| 21 | STAFF EXPENDITURES | 25.000,00 |
| 22 | STAFF UNIFORMS | 18.000,00 |
| 24 | OTHER EXPENSES | 52.806,00 |
| 24 | COMPETITION EXPENSES | 108.140,00 |
| 25 | SCHOOL AND SUMMER CAMP EXPENSES | 73.800,00 |
| 25 | SECURITY | 11.000,00 |
| 26 | IRRIGATOR ASSOCIATION | 12.000,00 |
| 28 | OTHER TRIBUTES | 8.500,00 |
| 28 | WAGES AND SALARIES | 1.650.000,00 |
| 30 | SOCIAL SECURITY | 452.000,00 |
| 30 | FORMATIVE COURSES | 6.500,00 |
| 31 | EXTRAORDINARY EXPENSES | 25.000,00 |
| | TOTAL EXPENDITURES | 4.786.501,09 |

| | | 2022 |
|----|-----------------------------------|--------------|
| | TOTAL ANNUAL INCOMES | |
| 1 | ANNUAL FEES | 3.068.362,00 |
| 2 | ENTRANCE FEES | 312.500,00 |
| 3 | GREEN FEES | 775.000,00 |
| 4 | HOTEL GUADALMIA FEES | 209.910,00 |
| 5 | DRIVING RANGE INCOMES | 44.425,00 |
| 6 | HOTEL TTOO GREENFEES AND LICENSES | 17.000,00 |
| 7 | DAILY ELECTRIC TROLLEY INCOMES | 37.000,00 |
| 8 | BUGGIES RENTAL INCOMES | 190.000,00 |
| 9 | SCHOOL AND SUMMER CAMP INCOMES | 41.300,00 |
| 10 | COMPETITIONS ONCOMES | 102.300,00 |
| 11 | CROQUET INCOMES | 15.000,00 |
| 12 | OTHER INCOMES | 13.700,00 |

| | |
|---------------------|---------------------|
| TOTA INCOMES | 4.826.497,00 |
|---------------------|---------------------|

| | |
|--------------------------------|------------------|
| RESULT PROFITS / LOSSES | 39.995,91 |
|--------------------------------|------------------|

I would like to point out that under finance leases we have gone from €57,000 in 2021 to €267,500 for expenditure incurred on buggy and machinery RENTING, both the first REMOVE plan and a second which we intend to contract over the course of 2022.

We also maintain a good spending budget for course repairs of €470,000, as we continue to believe that we should be spending in order to present the courses in the best possible condition, rather than spending half a million euros on the clubhouse.

If the coming years go as planned there will be funds available to undertake other projects that are also necessary.

If we talk about income, we have maintained the line of income for the financial year 2021, and we have been conservative, the truth is that there is increasing interest in joining the Club, possibly between 7% and 10%, and the income from green fees can probably be expected to improve this figure also.

Mr. O'Mahoney said goodbye, thanking all the members of the Board of Directors for the work carried out in each of the different areas. He gave special thanks to all the members of the Administration team for the incredible work carried out, the efficiency in their efforts and the collaboration and honesty with which they take charge of the management of all administrative aspects, (The room broke into a general applause).

The price list proposed by the Board of Directors is presented, with special emphasis on payment in the month of January, offering a 10% discount for those members who decide to pay the membership fee in a single payment in January.

Mention was made of the increase in the membership fee for the full member from €8,000 to €10,000, and for a spouse from €2,500 to €5,000 for 2022.

The member Julio Alonso, indicating that in his opinion, given the liquidity situation and the balance sheet presented at the end of 2021, he does not understand why the 10% discount cannot be maintained for those who pay the fee in quarterly payments, since in his opinion 40% of the members are retired and both spouses pay the fee, so that the payment of a single fee does not seem very appropriate.

A representative of a member asked about the fees for professionals, and was told that all members should be treated equally, regardless of whether they are professionally engaged in aspects related to golf.

Mr. Hidalgo Jordán intervenes requesting clarification on the possibilities for professionals to make use of the facilities in the established competitions, as a professional he does not have access to participate in these competitions.

He was given an answer from the Competition Committee.

Mr. Martínez Landazábal supported the previous motion to maintain the 10% discount on quarterly payments.

A debate began on aspects referring to the hiring of personnel and their levels of remuneration, which after an exchange of opinions was settled by the president, who indicated that this was not the point on the agenda to discuss these aspects.

An exchange of views was established and putting both the dues and the system of discounted payments to the vote closed the debate.

The result of the vote on point 2 of the agenda is recorded by the Notary Mr. Eduardo Hernández Compta.

Following this debate, the Secretary of the Assembly asked for a vote to be taken on item 3 on the agenda Proposal to approve the Annual Report for the previous year, the budget settlement, the closing balance sheet for the year and the accounts for the same.

The result of the vote is recorded by the Notary Mr. Eduardo Hernández Compta.

The secretary proceeds to read out the articles to be put to the vote under point 4 of the agenda on the proposal for the partial modification of the Statutes.

After a debate and the intervention of Mr. Guillermo Hombrevella and others, it is put to the vote with the result recorded by the Notary Mr. Eduardo Hernández Compta, with the modification approved by the assembly.

The approval, if applicable, of the proposal of point 5 of the agenda on the partial modification of the Internal Regulations is submitted, after the intervention of Juan Ramón Martínez Landazábal in reference to the article referring to the proposal of new Honorary Members, after a debate it is put to the vote with the result collected by the Notary Mr. Eduardo Hernández Compta.

The approval is submitted. The approval, if applicable, of the proposal of point 6 of the agenda for the partial modification of the Electoral Regulations is submitted for approval, after a debate, it is put to the vote with the result recorded by the Notary Mr. Eduardo Hernández Compta.

Resignation, for personal reasons, of the Treasurer member of the Board of Directors, appointment and ratification of his replacement, the reasons for the resignation of the Treasurer Cyril O'Mahoney, who has decided to move to Barcelona, and suspend his membership of the Real Club de Golf Guadalmina, his replacement Mr. Carlos Costantini, who has belonged to the previous Board of Directors, in his capacity as Vice President, and who has extensive knowledge of the financial and administrative aspects of the Club, is presented.

Item 7 is put to the vote on its ratification, with the result recorded by the Notary Mr. Eduardo Hernández Compta.

The 7th point of the Assembly is concluded and it is unanimously approved to empower all the members of the Board of Directors so that each one of them, jointly and severally, can formalize before a Notary Public the agreements and modifications adopted, being able to grant Deeds of correction, rectification and/or clarification for their inscription in the Register of Sports Entities of the Department of Education, Culture and Sport of the Andalusian Regional Government.

The floor was opened for questions and requests, with the intervention of Mr. Julio Alonso, whose intervention is recorded in the minutes of the Notary Mr. Eduardo Hernández Compta.

Mr. Hombrevilla asked for clarification on the existence of a member for each federated activity, as he was not aware of the existence of a croquet member among the members of the Board of Directors. He was told that the Board is in the process of resolving this situation and that he will be informed.

Mr. Canty intervenes, asking for explanations on how a group known as "The Pool" has established schedules within the competition of Play & Win.

Explanations are given by the Competition Committee, indicating that all members who request may register in the Play & Win within the time slot reserved for players who wish to participate under the modality of Medal play, usually the first in the morning.

Mr. Feito intervenes, recriminating the slowness of the resolution of disciplinary files and more specifically those that concern him personally. After an exchange of opinions, it was expressed by the Secretary of the Board of Directors that in no case is he neglecting his duties, and that the proceedings would be initiated, if not already initiated, and that this Board intends to resolve the situations that require its intervention as quickly as possible. But in some cases this had been affected by various circumstances beyond its control.

There was an exchange of interventions on various points, which did not require a reply, as in most cases they were opinions expressed on different matters.

There being no further business to discuss, the meeting closed at 22:00.