

**REDACTED FOR PUBLICATION
SCOTTISH RUGBY LIMITED
SC132061**

**MINUTES OF MEETING OF THE BOARD OF SCOTTISH RUGBY LIMITED
HELD ON THURSDAY 12 MARCH AT 13:15**

PRESIDENT'S SUITE 2, SCOTTISH GAS MURRAYFIELD AND BY TEAMS AV PLATFORM

Present:

John McGuigan	(JMcG)	Chair & Independent Non-Executive Director
Shona Bell	(SB)	Chief People & Engagement Officer
Ruth Davidson	(RD)	Independent Non-Executive Director (By Teams)
Chris Stewart	(CS)	Independent Non-Executive Director
Hazel Swankie	(HSw)	Non-Executive Director
Alex Whelan	(AW)	Independent Non-Executive Director

In Attendance:

Oliver Colling	(OC)	Finance Consultant & Interim CFO
Alan Devine	(AD)	Consultant
Matt Horler	(MH)	Director of Communications
Robert Howat	(RH)	General Counsel & Company Secretary
Al Kellock	(AK)	Managing Director of Glasgow Warriors
Mark Laidlaw	(ML)	Director of Stadium Operations
Laura Mahadea	(LM)	Paralegal & Executive Assistant
Angela McCracken	(AMcC)	Head of Legal & Governance
Gavin Scott	(GS)	Director of Rugby Development
Doug Struth	(DS)	Managing Director of Edinburgh Rugby

Apologies:

Mark Dodson	(MD)	Chief Executive
Mike Soutar	(MS)	Independent Non-Executive Director
Hilary Spence	(HSp)	Outgoing CFO

ACTION

1. INTRODUCTION

1.1 Welcome, Quorum & Apologies

The Chair noted that a quorum was present and opened the Meeting.

Apologies were received from MD, MS and HSp.

Those attending the Board meeting for the first time were welcomed to the Meeting.

1.2 Conflicts & Director Declaration of Interest

The Board noted that all Directors had received formal written notification from CS under ss182 and 184 of the Companies Act 2006 of his interest in a company (CSG Projects Limited) with an existing sponsorship agreement with Glasgow Warriors.

CS then gave general notice to the Directors under s185 of the Companies Act 2006, of his interest as a director and the ultimate controller of CSG Projects Limited and that he

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was to be regarded as interested in any transaction or arrangement entered into with that company after the date of the notice.

No other conflicts or interests were declared.

2. MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting of 1 February 2024 were **APPROVED**.

3. ACTION LIST & MATTERS ARISING

- (i) *Domestic Rugby Vision of the Future* – GS commented later in the Meeting (Item 5)
- (ii) *Strategic Plan* - See Item 5.
- (iii) *Consider Relevant Risks at Committee Meetings* – Ongoing at each meeting.
- (iv) *NED Briefing Session on Risk* – carried forward.
- (v) *KPI Tracker* – carried forward - Remuneration Committee had been tasked with identifying an alternative way to record and measure KPIs in future.
- (vi) *Data Protection update* – carried forward. Data Protection audit underway. Report being produced for next Board Meeting.
- (vii) *Cash Report* – included within external finance report circulated to Board and in management accounts.
- (viii) *Topics for discussion at Board Meetings* – Ongoing.
- (ix) *NED information sessions* – the NEDs would look to meet informally every 3 weeks or so. LM would diarise.
- (x) *Wider Exec Team members to be invited to future Board Meeting* – completed.

4. RECRUITMENT UPDATE AND ROLES & RESPONSIBILITIES

SB updated the Board on continuing recruitment. OC and AD were introduced to the Directors.

CEO - the role specification has been confirmed with the Nominations Committee and the search was well underway, led by Korn Ferry. Meetings had been scheduled to review an initial list of candidates, with a shortlist of candidates to be developed by the end of March / beginning of April.

The need to produce a diverse range of candidates had been emphasised to Korn Ferry.

High Performance Director - discussions ongoing with potential candidates.

Chief Medical Officer - at second interview stage.

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in addition to the Nominations Committee members it was confirmed that other Board members would be invited to meet the preferred candidates for the CEO and High Performance Director roles, once the individuals had been identified. **SB**

CFO – HSp was due to leave the Company shortly. Appreciation was expressed for her contribution and commitment to the Company during her period in office. OC was joining as Interim CFO. AD was providing additional temporary support on business planning.

Initial priorities for OC and AD were focussed on the budget and business plan to support the new strategy and then feed back into the SRL and SRU Boards for discussion ahead of formal approvals. The external consultants who had assisted the process to date may also be available for validation purposes, if required.

Financial modelling in connection with potential stadium campus infrastructure investment would also be critical to improving revenues and asset use. OC would be working closely with ML on that.

Chris Healy was also due to join the business the following week as Interim Commercial Director.

The Chair observed that due to the various changes in the organisation, more time and involvement on the part of the non-executives had been needed recently than expected. This would be temporary and would alter once a new CEO had been appointed.

He anticipated the non-executive directors acting as Board leads supporting the Executive on key projects, aligned with areas of expertise. JM would circulate a separate note. **JMcG**

5. STRATEGY PLANNING

5.1 Deloitte Strategy Session

JMcG thanked Board and Executive members for their participation in and contributions at the meeting earlier in the day. Next steps had been identified at that session, with a more direct, concise and focussed presentation to be prepared for the meeting with the SRU Board later in the month and the Executive to now take the lead.

5.2 Stadium

ML updated the Board on the reporting of the work done by external consultants on stadium condition and improvement. A further session was being organised for those Board members who had been unable to attend so far, before arranging a briefing for the SRU Board.

Three key themes arising from the study were:

- Creation of a 5-year plan to address immediate and short term improvements .
- Creation of a 1-5 year revenue plan to start generating additional revenues soon .
- A feasibility study for the wider campus.

ML and CS would be meeting to discuss this and next steps. **ML / CS**

REDACTED FOR PUBLICATION**5.3 Pathways and Re-integration of Super 6 Teams**

GS updated the Board on recent activity relating to pathways and the decision not to extend Super 6 licence agreements beyond their original expiry date.

The strategic work on Male Pathways had been announced in mid-February to enable discussion and a CRB decision to be made on the domestic season structure for 24/25.

Seven options had been identified and consulted on with clubs.

The CRB were meeting the next evening to discuss the options and decide on the way forward.

The Chair thanked GS for his update.

6. EXECUTIVE UPDATE**6.1 Executive Report**

The Report was taken as read, with no pressing matters to consider, other than commercial contract approvals.

6.2 Commercial Contract Approvals

ML referred to the circulated papers and briefed the Board on several substantial new commercial agreements which required Board approval to proceed, explaining the background to each of the proposed deals.

The papers were taken as read, with questions and observations from Board members during the discussion.

6.2.1 *[NAME AND TERMS REDACTED – COMMERCIALY CONFIDENTIAL]*

6.2.2 *[NAME AND TERMS REDACTED – COMMERCIALY CONFIDENTIAL]*

6.2.3 *[NAME AND TERMS REDACTED – COMMERCIALY CONFIDENTIAL]*

Following discussion of each of the proposals, the Board **AUTHORISED:**

(a) the Executive to finalise the detailed terms and conditions of the proposed agreements with:

[NAMES REDACTED – COMMERCIALY CONFIDENTIAL]

respectively, based on the terms set out in the papers provided; and

(b) any 2 Directors, or any Director in the presence of a witness, or any Director and the Company Secretary to sign the resulting agreements on behalf of Scottish Rugby Limited.

The Commercial Team were thanked for their work in bringing these proposals to this stage, with various pipeline conversations also noted.

REDACTED FOR PUBLICATION**7. FINANCE****7.1 Overview, Budget Process & Management Accounts**

The circulated papers were taken as read. OC briefly updated the Board on the work he would be carrying out with the Finance Team and an overview of financial matters, with the following points noted:

- OC was working through the budget process, against the backdrop of the financial sustainability work that had been conducted recently to support the strategy plan. There was good financial data available for this.
- Time would be needed with the Executive, and then with the SRL and SRU Boards in May (between the scheduled Board meetings) to work through the suggested approach to the new budget and business plan ahead of formal approvals in June .
- The management accounts had been provided in advance to the Board. OC was reviewing the format of those to improve the consistency of reporting, content, templates and terminology used.
- [REDACTED – COMMERCIALLY CONFIDENTIAL]

OC was thanked for his update.

RH advised that [REDACTED – CONTRCATUALLY CONFIDENTIAL]

In response to a question about the cost of the Summer Tour and revenue opportunities, the Chair confirmed that there had been conversations with the National Team Manager. [REDACTED – COMMERCIALLY CONFIDENTIAL].

Commercial opportunities in Canada were limited but opportunities in Washington DC were being examined and contact made with the UK Government. It was suggested that contact also be made with Netflix and that a promotional programme, in conjunction with the UK embassy might be possible. The Chair would update the Board on outcomes. JMCG

7.2 Mandates and Internal Approvals

RH referred to the circulated paper, which was taken as read.

The current internal approval levels had been in place since January 2022. The CFO's impending departure and absence of the CEO meant that various mandates and approval levels needed to be adjusted to take account of these changes.

The proposed approach, which included signing authorities for the Pro Team managing directors on certain agreements, adjustments to Bank signatories and PO approval levels, capex project approvals and recognised the role of OC as interim CFO, was explained.

Following a brief discussion, the Board **APPROVED** the updated mandates and approval levels proposed.

7.3 Change of SRL Year End

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Earlier in the financial year the Board had agreed in principle to change SRL's accounting year end from 31 May to 30 June. This had been subject to SRU's year end (as the parent company) also being altered similarly, which had required a change to the SRU Articles. That had been passed at the SRU AGM on 18 November 2023.

The SRU Board had formally approved the necessary change on its part, and for consistency across the Group for accounts consolidation purposes and ahead of the budget process being completed, formal SRL Board approval was sought for the change of SRL's year end to 30 June.

Following discussion, the Board **AGREED** that the Company's accounting reference date be changed from 31 May to 30 June, with the change to take effect for the financial year then running to 30 June 2024.

8. COMMITTEE ITEMS

8.1 Committee Membership

The Company Secretary referred to the circulated paper, which was taken as read. CS joining the Board created the opportunity to consider Board Committee memberships.

Following discussion, it was **AGREED** that:

- (a) CS would join the Investment Committee; and
- (b) pending any further appointments to the Board, RD would remain on the Audit & Risk Committee meantime with HS, and be joined by CS. SW would be invited to attend the Committee's meetings and assist the Committee as required.

8.2 Remuneration Committee

In the absence of the Committee Chair SB provided an update on recent Remuneration Committee business.

A detailed briefing had been provided to the Committee on player contract values and how these were established, the data analysis conducted as part of that, and an overview of the player contracting cycle and process.

Anticipated contract renewals and new players would be highlighted to the Committee in advance of each season.

The Committee had welcomed the information provided and were comfortable with the approach being adopted.

The Chair thanked SB for her update.

8.3 Cattigan Family Working Party

The Chair updated the Board on recent activity and communications with the Cattigan family following on from the charity collection at the England game. The Chair has also suggested several possible additional initiatives to commemorate Ms Cattigan. A response was awaited.

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The Chair would update the working party and circulate a note to the Board after that. **JMcG**

8.4 Joint Working Party on Inclusion, Diversity & Complaints

The Working Group's report and recommendations were awaited.

8.5 International Representatives

The Company Secretary confirmed that the SRU and SRL Nominations Committees had recently been briefed on the various international bodies and their functions, the roles of representatives and processes followed in making appointments.

The group had concluded that a transparent, open and merit-based system which best served the interests of Scottish Rugby should be followed for appointments. Processes should be clear, well understood, and fair. Those appointed should display the qualities and skillsets needed to appropriately represent Scottish Rugby, taking account of the nature of each role and the modern game.

It had been recognised that service on international bodies might also create development opportunities within Scottish Rugby, as well as acknowledging that some roles naturally fell to be occupied by particular individuals.

Various actions, including updating role descriptions, had been identified, with a further meeting of the group to be arranged to progress those.

The Company Secretary was thanked for the update.

The Chair advised that arrangements were being made for a meeting with the Six Nations CEO and his team to promote enhanced co-operation and collaboration and provide an update on the current activity of Six Nations. World Rugby were happy to do similarly. Board members were welcome to attend, diaries permitting **LM/ JMcG**

9. SRU/SRL QUARTERLY REPORTING MEETING – KEY POINTS

The Chair had met with the SRU Board Chair recently, as part of continuing relationship management between SRU and SRL. The effectiveness of the working relationship and separation of the two Boards had been discussed. The Chairs would meet routinely, once a month, or more often if required, as part of a regular dialogue.

The SRL Chair would continue to attend SRU Board Meetings with members of the Executive to update the SRU Board on strategy, finance and any material projects, as required by the RMA. MS would be attending the next SRU Reporting meeting on 28 March to give an update on Remuneration Committee business.

10. BOARD EFFECTIVENESS DISCUSSION

Comments were taken from Board members on improving Board effectiveness, recognising the changes which had taken place in Board membership and the additional time commitments and workstreams that had arisen recently.

Suggested areas to consider included information provision and how that was formatted, templated financial reporting, Board behaviours and best practice and how that might be

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measured, how best to operate in the face of change (arising from the new strategic plan) in the coming months, and how best to constructively question and challenge.

The Chair would consider the points raised and arrange a further discussion.

JMcG

LM would be the main point of contact for co-ordination of Board members' diaries due to the activity being planned.

LM

11. AOB & CLOSE

The following were flagged for information:

- The Rangers FC- v Manchester United friendly match at Scottish Gas Murrayfield in July.
- Potential scheduling challenges in connection with the Taylor Swift concerts and the URC final, if either Pro Team qualified for the URC final.
- Work being done on ticketing and hospitality as part of financial sustainability modelling.

The Meeting closed at 15:05.

**APPROVED BY THE BOARD
3 MAY 2024**