

## **POLICY ON RELATIONSHIP WITH WSN & WEL**

“This Policy sets out the intended manner in which the relationship between PSPS and WSN will be conducted:

- PSPS’s role is to ensure the continued preservation and operation of Waverley and Balmoral (while operated in support of Waverley), not to manage WSN which carries out these functions on its behalf.
- WSN’s business is run by its board, the WEL board and the WEL management team.
- PSPS will maintain an active and regular dialogue with the WSN and WEL boards and senior management to monitor their performance. It will seek to satisfy itself that the boards are operating effectively, and that the companies’ strategies aim to conserve Waverley and Balmoral in sailing condition.
- PSPS will not intervene in day-to-day operational management decisions of WSN and WEL.
- PSPS will not seek to appoint directors in addition to the existing two directors of WSN and two directors of WEL.
- PSPS will not use its shareholder’s votes at General Meetings or otherwise, unless recommended to do so by the WSN Board, except to
  - Protect PSPS’s rights as a shareholder
  - Prevent amendments to WSN’s Memorandum and Articles which the Society believes are detrimental to its interests
  - Prevent a disposal of Waverley or Balmoral by sale, charter or otherwise
  - Deal with a fundamental disagreement between WSN and PSPS.
- PSPS expects WSN to continue to recruit Directors to its Board and WEL to do likewise, with the exception of the Society’s reserved places
- PSPS will enforce the requirement that all Directors of WSN and WEL shall be members of PSPS but will not unreasonably withhold membership from candidates

Adopted by the Council of Management on 5 December 2009”