

SUPERYACHT RACING ASSOCIATION
2014 ANNUAL GENERAL MEETING
MEETING MINUTES

26 March, 2014
St Barths

Executive Committee present: Kate Branagh, Barry Houghton, Bill Tripp, Ruurt Meulemans, Toby Allies, Jonathan Kline, Tim Laughridge, Robbie Doyle, Peter Craig

Full list of meeting attendees can be found on the last page of these meeting minutes.

Introduction and welcome from EXCOM Co-Chairperson Kate Branagh (KB). Thanks attendees for taking the time to come to the 2014 SYRA AGM. She mentions that it has been an active year and that without the members' input and support for the association, we cannot continue improving and developing superyacht racing. One thing for sure is that it is in everyone's best interest to keep working with the goal of keeping the yacht owners happy.

REPORT FROM THE EXECUTIVE DIRECTOR

Peter Craig (PC) welcomes everyone to the meeting and directs everyone's attention to the materials handed out. PC explains he will work his way through the agenda. He hopes for more dialogue and less of a monologue from him, encouraging anyone to speak up anytime they have comments or questions. He thanks everyone for taking the time to attend and the work that has been accomplished since the last meeting. There is still much work to be done and we have to do is important, so we appreciate your time.

He explains we are going to move through Exhibits 1–5 quickly in order to get to the key item of the day - fair sailing. It is the issue that we have spent a great deal of our time on over the past year – we being the SYRA, executive committee and fair sailing committee. This is where membership felt we should focus our attention at the past 2 meetings, both in Monaco six months ago and here in St Barths last year.

MEMBERSHIP (Agenda item #3)

Exhibit 1: Craig starts with the list of current members. He explains there has been more meaningful progress – with 66 paying members. The goal was 10 new members this year and last count I believe we were up to 14. Clearly, the differential entry fee (DEF) policy approved in Monaco has been effective, as well as the reduced annual dues (1900€). He explained that we upped DEF so it would be a 'no brainer' for those racing in superyacht regattas. Regarding budget, we are in year 3 for the SYRA (year ends April 30). The bottom line of the budget has looked similar in each of the first 3 years. Craig states that we collected approximately €145,500 in revenue (as compared to €144,000 a year ago, and will be €9,000 in the black end of year 3. That's where we stand at the end of next month with projections based on membership fees, expenses, etc. Craig reminds everyone that this is a positive development in that we took a chance a year ago in halving the annual dues to get increased membership and it has worked out pretty well. We were a thirty plus member association at the end of the first year and the SYRA is currently at 66 members. Our goal is to add another 10–15 in our fourth year to bring membership up closer to 80.

Exhibit 2: PC moves on to Exhibit 2, SYRA membership of those yachts participating in the 2014 Winter Caribbean Circuit. He states that this is an interesting document. The yachts highlighted in yellow on this page are the yachts that have participated in, or are participating in, the Caribbean circuit this year. There are a total of 47 yachts racing (about the same as last year) and you can see the percentages that are SYRA members on the bottom. PC is happy to say that we are up to 60% of the boats participating in the Caribbean who are currently members of the SYRA - it was under 50% by a fair amount last year at this time. The yachts on the top, highlighted in yellow are not members, and anything you can do to encourage them joining would be appreciated. PC explains that Toby Allies (SYRA Executive Committee Member) is not here but he was going to give a pitch for membership - let's see if we can move some of those highlighted yachts down to member section. The things we are doing here at the SYRA for fair racing, safe sailing, etc. - we all think is in the best interest of the superyacht racing arena, so lets get the people who are playing onboard. PC asks if there are any questions on membership (there were none).

RACING RULES OF SAILING (Agenda item # 4)

Exhibit 4: PC moves on to Exhibit 4 and explains that there are two changes to Appendix SY. And is pleased that Version 2 is in the new Racing Rules Booklet and posted on the website as well. He brings 2 meaningful changes to the attention of attendees... they are points that came up from members over the course of racing these past two years that it was deemed they needed to be addressed. PC explains that Jim Capron, IJ and chief judge for the Bucket, took these issues to ISAF on behalf of he SYRA and they were approved. You'll see in the exhibit there is a 'layman's version' of an explanation of what those changes are. One is radio safety protocol – we were finding that some people are gaming the system and creating unsafe situations by not answering radio calls and/or not doing so in a timely fashion. So we gave people the ability to act, not just competitors through protests (which nobody likes to do), but the race committee and jury now have the ability to act. PC explains this can be done by listening to the radio dialogue and by monitoring the daily Declaration Forms. The other change relates to a 'converging overlap' (upwind and downwind) – to determine which is the overtaking vessel. We won't get into this now, but PC reminds everyone that the racing rules review session is tomorrow morning. Jim Capron will go over the Appendix SY and racing rules issues that have come up over the past year. Last year it was a great dialogue and Q&A session, so you are encouraged to come back tomorrow. PC asks if there are any questions (there were none).

Exhibit 5: PC moves on to the next Exhibit (5) regarding rule compliance. We have found that we need to remind people to play a role in ensuring competitors are abiding by the racing rules. PC acknowledges that nobody wants to be involved in protests, however, for safety reasons it is critical that all competitors follow the rules. While, we have a jury, race committee and daily Declaration Forms to help inform us who is not behaving on the racecourse, sailing is a self-policing sport. PC reminds everyone that in superyacht racing one doesn't have to protest. Exhibit 5 highlights the 'Rules Clarification Hearing' option that can be found on the daily Declaration Form. When an afterguard member believes someone created an unsafe situation or broke a rule for competitive advantage - and they would rather not get involved in a protest - they can still have it heard by the jury with nothing at stake from a scoring standpoint (except maybe pride). Most importantly, one can resolve whether a yacht has broken a rule or creating an unsafe situation. PC also points to the safety ramifications of safety officers not responding to radio calls - that is highlighted in the exhibit. When you note that a yacht is repeatedly not responding – please make note of it on your Declaration Form. When the race committee sees the offending yacht name come up on repeatedly on different forms, they will call the offending yacht in, that discussion and take action if it is warranted. Simply put, you can help eliminate this dangerous practice by noting it on your form. PC strongly urges people to take the time to fill out the form properly - don't simply walk up and mention it to me or other race committee members in passing. We can help you correct the situation, and provide a safer race environment the following day.

ONBOARD SAFETY (Agenda item #5)

PC acknowledges that in his opinion there was insufficient progress made this past year with onboard safety. One reason was that there were no burning issues in this area, the second is that it took a back seat as SYRA focused their attention and resources on fair sailing issues. With guidance from the members and the Executive Committee we focused on fair racing and handicapping, which has increasingly been a topic of discussion among owners and organizers and will clearly is very important to the future of superyacht racing. Looking forward to 2014/2015 priorities we will be looking at Safety Officer policy, uniform safety equipment requirements, and winch safety. PC passes it over to Executive Committee member and P2 Program Manager Jonathan Kline to speak about the Safety Officer issue...

Exhibit 6 includes information on the current Safety Officer requirement, including the Safety Officer form. The second page suggests an alternative way of dealing with communications and ensuring there is at least one individual in the afterguard who is intimately familiar with the racing rules of sailing and the Appendix SY. Jonathan Kline (JK) revisits the discussion from last year's meeting regarding whether the yacht's Captain should be the Safety Officer while racing (28% of the 2014 Bucket Captains were Safety Officers in 2014). JK comments on the safety officer and their alleged knowledge of the racing rules of sailing. The reality is that the Safety Officer in many cases may not be the one onboard who is the expert in the racing rules of sailing. The question is should he be or not? JK states that from his experience, there are people onboard that are members of

the afterguard who know the rules intimately. The critical thing is that the safety officer, if he is brought onboard and not a rules expert, has the talent pool in the back of the boat that he can report to and work with to ensure safe racing. JK explains that he feels that a yacht owner should not be required to have two or more people onboard that know the rules intimately, but instead that there is a dynamic relationship between the safety officer and that rules expert (who's role may be tactician, helmsman, strategist, etc.) Bill Tripp (BT) asks if the size of the boat should make a difference. One person for 30m makes sense but when you get up into the 45m range, perhaps there is a need for a couple of people, as there is more to keep track of and more going on. Danger can come at a quicker pace, some of the bigger yachts are less maneuverable and is harder to avoid situations. PC says that is certainly worth consideration.

The Safety Officer requirement came up again when we were asked by another organizer if we were "enforcing" the SO requirement in St Barths. The honest answer is no, we are not – at least not to the letter of the law. PC explains that the Bucket ensures that we receive the form from every yacht with the cell phone numbers, and we do review all forms for some information on their experience level. But our intention is that we want to bring to the attention of Captains, particularly Captains new to superyacht racing, that the Safety Officer role is important. PC's suggestion is instead of a Safety Officer qualification that we have an afterguard qualification. The Safety Officer is as a matter of fact more of a communicator on the designated Safety Channel. We want to make sure that at least one person on each yacht is an absolute racing sailor who is a regular afterguard member working with the racing rules of sailing, ideally with superyacht racing experience. A lot of it is simple name recognition - we're not looking to make extra work. It might seem unnecessary to some of the people in this room, who have the right level of talent and experience onboard their yachts, but PC explains it is not always the case and we need to have at least one on every yacht.

PC mentions that this needs to be a fundamental requirement yet we want to make it manageable and reasonable for yacht's Captain and owner. If there is one rules-savvy individual onboard we would be happy – two would be even better. JK opens it up to the audience for thoughts on this Safety Officer issue and the next step - is it working or not? Jon Jeffreys (JJ) mentions that it's working but the option of having an afterguard member as the racing rules expert, other than the safety officer is a good idea. For example on SY AXIA, JJ explains he has every confidence in his Safety Officer, but they have Robbie Doyle onboard in the afterguard and he thinks they would defer to him in any critical tactical situation. Therefore, having that option of supplementing the Safety Officer background check with one for the afterguard is definitely is the way to go. JK asks if it might be imposing to ask a yacht owner to require he have a tactician with significant racing rules and superyacht racing experience? JJ answers that it would depend on the owner's approach to superyacht racing. Is he just interested in sailing around the islands and happy being part of the event or is he looking to aggressively sail the course with the goal being a podium finish? JK responds that it is creating a potential danger for all if a yacht is there to sail and have fun while not knowing or disregarding the racing rules. PC says it is one thing to say you are not interested in winning – the real issue is that there is traffic on the racecourse that someone onboard needs to have intimate knowledge of the racing rules for those split second decisions.

Discussion continues... PC brings up the concept of a new title and description of the designated individual on the VHF Safety Channel – a 'communications officer'. If that individual knows the racing rules and Appendix SY great, but if not, the racing tactician or other afterguard member does. Looking at the list of afterguard members at the Bucket, many of the names are easily recognized as top tier, active racing tacticians. When an unknown name comes back on the form, the Event Organizer can go back to the Captain and ask for more information or his/her resume. PC states the main point here is that while we want to be sensitive on not making racing too difficult and expensive for yacht owners, we cannot lose sight of the absolute requirement for safe racing. Knowledge of the racing rules of sailing is a must on every yacht.

FAIR SAILING (Agenda item # 6) Exhibits 7 – 9

PC moves on to the major discussion item of the meeting and states up front that we are not going to solve these challenges and issues here; we're just going to start the discussion and open the dialogue with hopes of it continuing over the weekend. Fair racing has been a major focus of the SYRA during this past year. Handicapping these diverse superyachts is extremely difficult and we have seen several rules in play over the years – IRC, ORC, and the Bucket Rule, which has transitioned into the International superyacht Rule (ISYR). PC continues, with what started as 2-3 regattas not so long ago is now 10 or 11, most of which are using the ISYR. PC encourages those who were racing in Virgin Gorda to provide feedback.

We will be very clear about what the SYRA has been doing. We are not in the handicapping business, but we believe it's necessary to be involved and interfacing with the rule authority. What we have done is to take an active role in communicating with the ISYR (Jim Teeters) concerning what our member yacht owners, event organizers, superyacht builders, yacht designers, etc. are looking for in a rule. We are interfacing with the ISYR to determine if Jim will work with us on issues such as transparency, the issue of changing handicaps at regattas, yachts new to the rule, etc. PC explains we've had some successes, but setbacks as well. In conjunction with the ISYR, we have put a few policies in play, most recently at the Virgin Gorda regatta last week. PC reminds everyone that it needs to be clear that the SYRA is not a rule authority or co-rule authority. This is the ISYR's handicapping rule. But we have become more active given perceived shortcomings and in an attempt to represent your interests knowing what the majority of the members want - an improved superyacht handicapping rule.

- PC continues with some observations from Virgin Gorda: There are surprising misconceptions about what the rule is and is not. We made every effort to get the 'rule description' in writing in non-technical layman's terms, working closely with Jim on this. PC mentions that it is posted on the ISYR website and to please check it out. Leading up to the Caribbean events we also looked at the rule policy on yachts new to the rule – a very difficult and controversial issue. Having items such as this active in dialogue is a good thing.
- PC relays that the misconceptions start right with the different racing formats and scoring options (circular random, constructed course...). Face to face meetings between yacht representatives and the newly established 'Regatta Handicap Panel' were quite useful in explaining all of this. In Virgin Gorda the organizer went with a staggered start format (with two-minute intervals); in St Barths it is pursuit racing of course. So few boats appeared to understand the scoring format in Virgin Gorda (constructed course), and while understanding is not necessarily agreeing, understanding is an important first step. The rule and the organizers need to do a better job in educating on the handicapping rule, race formats and scoring options.
- The SYRA instituted the Regatta Handicap Panel (RHP) for the first time in Virgin Gorda. PC explains how they made available a 1-page explanation of the process, form to fill out, and list of panel members (Exhibit 8). Representatives from all of those yachts new to the rule met before racing started to be briefed on the rule – technical and non technical – by the RHP (which included Jim Teeters). It appeared to be well received with people understanding before the first race. Ironically, 9 out of the 20 yachts in Virgin Gorda were new to the rule and 10 out of 38 yachts here in St Barths are new to the rule. PC states that we will continue with a RHP in St Barths as well.
- PC continues with the first challenge – how do we do a better job educating people, especially the yacht owners, and explaining how the rule works? PC asks members of the audience who were in Virgin Gorda to share their thoughts and what they heard on site and how they think things went regarding the RHP. (Unidentified) said it's not what we were expecting and that the rule still has no transparency. PC agrees that transparency is a huge issue. But there are two sides to transparency. We tried to take a step with transparency in Virgin Gorda by posting a complete scratch sheet with the three handicap TCFs for all yachts. However, those specific circular random numbers are not relevant given the racing format over there (staggered start/constructed course). There were many different views of what those circular random TCF's meant – most wrong, so in this case transparency was not a good thing. Providing the actual TCFs used after the race would have been more effective – those are real numbers that can be applied to a race.

- Another part of the transparency issue has to do with full transparency of the rule itself. One fear is that a fully transparent rule could lead to owners having designers design and building to a rule. I don't think that is where anyone wants to be but everyone wants to be clearer on how the rule works. Philippe Briand asked about the ISYR VPP and having it open. PC mentioned that there was some VPP discussion in Virgin Gorda and Jim was unwilling to share the specifics of his VPP. PC opens it up to any other VPP comments from the audience. Barry Houghton (BH) agrees that Jim can be unwilling to listen to owner concerns and reluctant to share the specifics of his rule.
- Kate Branagh (KB) explains that in the short term we can't change what is in place. We have been feeding information to Jim about the perceived need to change rule policy and the process. We're not trying to change his rule – but we (the SYRA and the Organizers) have been trying to make the process more efficient and help with the administration of the rule. BT steps in with the thought that we are eventually going to bring this into the public domain. It's a great discussion to be had and BT asks do we want to move into a new rule? BT also explains that we are in fact trying to steer Jim's VPP subjectivity to bring things closer together.
- KB explains we are looking at other alternatives, but we have established from the beginning that IRC and ORCi would not give us a better situation than the one we have now, but we are gathering information and building our knowledge base to possibly go beyond the ISYR black box and that we are hoping to take the input and invest in a better option for the future. Robbie Doyle (RD) brings up that we have all this information now. We know what the boats are being rated on (sail area, displacement, etc.); and the SYRA is now examining what is being rated and can go to designers and ask what the best VPP is. PC reminds all that this ISYR is not our rule. We are trying to make it better by listening to you and interfacing with Jim. We have made some improvements, but recognize that it's taking time and not where it needs to be. We are currently collecting data at every regatta – certificates, applications, conditions, subjective observations, etc. We are trying to hold Jim accountable for all he has promised and making sure he gets yacht measurement information well in advance. Also, there are concerns about relying on one person for all handicapping. If Jim were to move on, we need to have something to go forward with for near term regattas.
- PC moves on to talk about some of the positives that have occurred on regarding fair sailing. Many of the Organizers are sharing preliminary class breaks early with designers, the fair sailing committee, etc. They are posted a month in advance of regattas for boat captains and owners to review and provide input - and that's all a step in the right direction. We all agree that good class racing and proper breaks are important - we're moving in the right direction. We like to hear feedback, input and suggestions – that is critical. And we can all agree this is taking longer than we'd like, but we are making progress. PC reminds us that if we are not getting where we need to be, then we need to have a backup, but at the moment we don't have one so we're not in a position to act on it yet. *Discussion amongst the audience.* PC comments that there has been talk at some of the bigger regattas that when you have critical mass, classes could sail different formats/scoring options of the rule. (Undetermined) Suggests taking feedback from the Captains on how they feel they sailed – did they make mistakes, sail well? BT reminds us that we are working towards building a better future. BH asks what do you need to accelerate this process? PC says that we will speak to that in the Voting Items (Exhibit 11).

MISCELLANEOUS (Agenda item #7)

PC moves on to the remaining items of the meeting.

Exhibit 10 concerning Rule 55 and banding spinnakers. PC states he is bringing this to the attention of boat captains to get you thinking about it. Some jurisdictions will not allow an event organizer to ignore this. This is a big issue for superyachts, so please talk to your sailmaker about other banding options. Biodegradable wool is still considered discharge and not allowed in some areas. PC explains that he brings this up because this is an issue in the U.S. and could be in other countries soon.

Exhibit 11 – Voting items.

Item (a): PC begins with the SYRA's involvement in fair sailing and handicapping. He explains that he is not looking for a green light on any specific action at this time, but instead authorization to proceed down the path we have been following – to work closely with the handicap rule of choice for superyacht racing and to bring that rule more in line what the SYRA membership wants. PC explains that we need more resources – whether it is gathering information, answering questions, funding for personnel, appeals committee, etc. One of the major issues today with the ISYR is the 'one-man rule', the perception or reality that one person is dictating how one fares on a racecourse. We have approached Jim about options including an independent appeals committee of sorts (5 people on a panel). This way the owner would at least know there is a mechanism in place. To do all of these things is going to require more resources. Item (a) provides us with the ability to go forward with the Fair Sailing Committee to get the resources we need to take the next steps, which may include pursuing other alternatives.

Motion Passes.

Item (b): PC moves on to the second item – confirming the priorities for fiscal year 2014 (which starts next month) – including Fair Sailing/ Handicapping, revisiting onboard safety, the safety officer/tactician issue, and uniform safety requirements (Cat 3, etc.), and increasing membership.

Motion Passes.

PC opens up the floor to any questions or comments (there were none). He thanks the members for their time and input and asks that they keep the conversation going this weekend... and good luck on the race course.

(end)