

TWO OCEANS MARATHON NPC 12th ANNUAL GENERAL MEETING (AGM), TOM NPC BOARD REPORT FOR 2020/2021

21 October 2021

It is my privilege to present the Board Report for the 12th Annual General Meeting of the Two Oceans Marathon NPC on behalf of the TOM NPC Directors who served during the past year:

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| Mr. William Swartbooi | Mr. Keith Temmers | Mr. Safwaan Lewis |
| Mr. Graham Bentz | Ms. Thozama Koli | Mr. Aubrey Isaacs |
| Mr. Siphos Evans | Mr. Allan Ryninks | Mr. Paul Murphy |
| Mr. Barry Matthew | Mr. Hilton Kearns | Ms. Liezel Short |

The following Directors **Ms. Thozama Koli, Mr. Safwaan Lewis and Mr. Barry Matthew** have completed the 2nd year of their two-year term.

Mr. Graham Bentz has completed the 2nd year of his term and is not available for renomination, due to his international travel commitments.

Ms. Liezel Short has completed her term and has been nominated by her club to stand again for a further period of 2 years

Mr. Paul Murphy has completed this term as a representative of WPA.

Over the past year, the TOM NPC Board has worked tirelessly to deliver on our mandate of engendering transparency, good governance and restoring the image of Two Oceans Marathon as a global sporting event of pre-eminent stature and a valued organisation.

Our work as a collective is not done and as we close another challenging year, the baton will be passed on to the next team of passionate individuals with an emphasis on furthering current reputation-enhancing objectives and bringing innovation and energy to the organisation and broader institution of the sport itself.

IMPACT OF THE COVID-19 PANDEMIC

Despite the challenges brought about by the pandemic and the impact on the TOM NPC following the second consecutive cancellation of the Two Oceans Marathon, the financial losses were mitigated to an extent by the tight financial controls in place and the additional cost-saving measures applied across the organisation.

BOARD PERFORMANCE

As a newly elected Board, we reaffirmed our commitment to good governance, to our individual and collective fiduciary responsibilities as custodians of the Two Oceans Marathon, and to serving the running community with professionalism and diligence.

The Independent Investigative Report published in 2020 highlighted several governance and procedural weaknesses within the organisation, including the inaction of the TOM NPC in addressing critical challenges.

We sought to take concrete steps to tighten up processes and address Board performance, specifically relating to governance, exercising our fiduciary duties, and addressing any potential conflicts of interest, as highlighted in the report.

To improve the effectiveness of the TOM Board, a multi-level structure comprising six Board Sub-Committees, was set up to provide oversight and strategic support in achieving the objectives of the TOM NPC. This helped improve organisational efficiency, adherence to sound business principles and good corporate governance.

BOARD TRAINING

On Saturday 12 July 2021, the TOM NPC Board participated in a full-day Board Training Workshop facilitated by the Sirdar Group, an enterprise experienced in educating, guiding, and setting achievable strategic goals for high-performance boards.

Emphasis was placed on the nature and ambit of a director's fiduciary duties and giving effect to the latest 2016 revision of the King III Report on frameworks and principles for good governance in South Africa.

OUTSTANDING MATTERS

Building compliance and outstanding snag list

Items marked for rectification on an outstanding Snag List pertaining to the TOM Offices at 125 Main Road, Bergvliet, have as yet not been completed.

The cost of additional building work undertaken by the appointed building company

The circumstance and scope of extra building work as well as payment relating thereto, remain in dispute.

Storage of TOM stock

Collection of TOM merchandise and memorabilia stock, as well as race equipment, is still stored off-site.

TWO OCEANS MARATHON STAFFING

The TOM Office continued to operate with a small staff complement of eight employees:

1. Race Director/General Manager
2. Finance and Business Manager
3. Procurement and Finance Administrator
4. Operations and Logistics Manager
5. Communications Manager/Content Producer
6. Entries and Runner Liaison
7. Customer Services/Receptionist and TOMI Co-ordinator
8. Office Assistant

As planning for TOM 2022 progresses, race planning support staff and service providers will be contracted in operations, logistics and marketing, as well as customer services prior to the opening of entries.

THE TWO OCEANS MARATHON 2021

The ongoing impact of the Covid-19 pandemic on Mass Participation Events continued unabated throughout the country, resulting in the cancellation of the 2021 Two Oceans Marathon.

This was announced by the TOM NPC in January this year. This early action on the advice of the TOM medical team ensured that the TOM NPC was able to mitigate the financial impact on TOM runners, suppliers and service providers.

TWO OCEANS MARATHON VIRTUAL CHARITY CHALLENGE

The inaugural Two Oceans Marathon Virtual Charity Challenge was launched in March 2021. It was well received by runners and attracted entries from as far afield as Ireland, South Korea, and Canada. The event was entirely philanthropy focused and, as such, was warmly supported by the more than 74 charities and causes who were able to leverage the event to raise funds via the GivenGain and Back-a-Buddy platforms.

More than 3 000 runners participated in the inaugural TOM Virtual Charity Challenge.

We were able to distribute the VCC Runner Shirts 'door-to-door' via the partnership with NightWinG Couriers, who ensured smooth and efficient end-to-end logistics and delivery.

The sought-after prize of a two-night stay at the Arabella Country Hotel & Spa, donated by Tsogo Sun Hotels, was won by local businesswoman and 18-time TOM Half Marathon medalist, Vanessa La Borgne.

Following the success of the inaugural virtual event, the TOM NPC is pleased to confirm that the TOM Virtual Charity Challenge will be hosted again in 2022, and hopefully well into the future.

TWO OCEANS MARATHON INITIATIVE

After disbursing R217 565,30 to 14 charities as raised for TOMI during the cancelled TOM 2020 event, strategic visits to several of these charities under our inaugural Partnerships with Purpose initiative had to be postponed several times due to the impact of lockdown restrictions and sporadic localised violence.

These site visits will resume in 2022. It will enable the TOM staff to witness first-hand the impact of funds disbursed, to mutually boost the morale of all involved, and to relay updates to our running communities via social media and the press. It also paves the way for further discussions and a mutual exchange of ideas on what more could be done by way of future support at grassroots level.

Beneficiary applications will open in November 2021 to disburse the more than R260 000 raised by our big-hearted runners during the Virtual Charity Challenge hosted in April 2021.

SPONSORSHIP AND FUNDING

While our ongoing engagement with sponsors nationally and internationally has been positive, the impact of the Covid-19 pandemic on businesses globally and in South Africa has changed the sponsorship landscape considerably. Brands have adopted the wait-and-see approach, in

the hope that mass participation events will resume to the extent that they provide a viable commercial platform.

At the same time, and in line with the changing sponsorship landscape, the Two Oceans Marathon has conducted a review and re-evaluation of the commercial value of the TOM property and event assets.

Current sponsorships include Coca-Cola South Africa (Powerade), Tsogo Sun Hotels, Caltex (Astron Energy as rebranded), and newly signed logistics partner, NightWinG Couriers.

The SABC broadcast of the Two Oceans Marathon 2022 will ensure valuable exposure to a broad national and international audience.

TWO OCEANS MARATHON 2022 RACE PLANNING

Planning for TOM 2022 comes with the added pressure of managing the impact and risks associated with the ongoing Covid-19 pandemic. It is within this framework that the permitted number of runners, in line with safety guidelines stipulated in the *Disaster Management Act* and the TOM 2022 medical management plan, will be formulated to ensure the safety of all runners and all those involved in putting on the events.

Consultations and meetings with the City of Cape Town's Disaster Management and Traffic Management teams, determined that we would have to make some changes to the Start and Finish Area to mitigate Covid-19 risks. In addition, concerns raised by the City of Cape Town officials have identified various dangers associated with the congestion on Main Road between Newlands and Muizenberg over the Easter Weekend.

As we consider several options to address the concerns highlighted by the city officials, we have asked our Blue Number Club running community to share their views on the possible changes to the race plan via a Runner Survey distributed in September 2021. We look forward to presenting the outcomes of the Survey and a consolidated TOM 2022 Race Plan in the coming weeks.

TWO OCEANS MARATHON TRAIL RUN SERIES

As restrictions on events and mass gatherings continued to be in a state of flux, the inaugural Two Oceans Marathon Trail Run Series – Ocean2Ocean was postponed and will now be hosted between March and June 2022. Each Trail Run Weekend of the series will accommodate 2 000 runners over two distances.

The Trail Run Series locations will extend the footprint of the Two Oceans Marathon beyond the Cape Metropole and add tourism value to the coastal towns of the Western Cape, adding further credence to the Western Cape Government's recognition of the Two Oceans Marathon as a jewel event of the Western Cape.

The TOM Trail Run Series will see trail runners of all levels of fitness, experience the breathtaking beauty on offer in Agulhas National Park, Kogelberg Nature Reserve, and the Table Mountain National Park. Incentives will include Prize Money for the male and female winner of each event, as well as for the Trail Run Series Winner in Male and Female categories.

BLUE NUMBER CLUB

As stated, in recognition of our Blue Number Club runners as the pre-eminent running stakeholders in our Race, we deliberately sought to involve them in our decision-making via the September Runners' Survey and will continue to acknowledge their contributions to our race, with gratitude.

One such initiative is the upcoming TOM Talks, a recorded series of panel discussions which is in pre-production. This series is aimed at Two Oceans Marathon running loyalists and will feature input from experts across the running spectrum, including BNC runners.

A refreshed BNC logo in line with our updated corporate identity has also been commissioned, and we look forward to unveiling it soon. The hope is to lay the foundation for a fresh selection of BNC merchandise and special offers.

CONCLUDING REMARKS

While planning and futureproofing the Two Oceans Marathon has had to be more comprehensive and wide-ranging on all fronts, we are optimistic that the future, while not without expected challenges, will see us emerge stronger and more relevant than ever before.

Thank you to our members, runners, sponsors and stakeholders who continue to journey with us. It is only in partnering with you that we can build a strong and sustainable future for the generations to come.

The Two Oceans Marathon NPC Board