



Jay Monahan
Commissioner

November 14, 2023

Good morning. We wrapped up a productive PGA TOUR Policy Board meeting yesterday and I wanted to provide you with an update of the discussion.

Administrative and Competition Matters

Officers and Directors for 2024 were presented and approved. Patrick Cantlay was reappointed by the elected Player Directors to serve as the fifth Player Director (2024-26). Ed Herlihy will continue as Policy Board Chairman and Mark Flaherty will serve a second four-year term (2024-27).

In August, the Ad Hoc Independent Director Selection Committee was established to replace the open Independent Director position. Since then, the Committee – including Patrick Cantlay, Webb Simpson, Mark Flaherty and Mary Meeker – thoroughly and thoughtfully vetted over 90 highly qualified candidates. We're pleased to announce that upon the Committee's recommendation and with full approval from the Policy Board, Joe Gorder, Executive Chairman of Valero Energy Corporation, will fill the fifth Independent Director seat. Under Joe's leadership, Valero has been a steadfast supporter of the PGA TOUR since 2002 as title sponsor of the Valero Texas Open with the partnership secure through 2028. During that time Valero has generated more than \$228 million in total charitable giving, including \$23 million in 2023. We will publicly announce his appointment later this morning.

Please [click here](#) for a full overview of the Tournament Competition matters that were approved, as reviewed by the PAC and Operations Committee.

From there, the bulk of the meeting was spent in a strategy session with the Player Directors and Independent Directors, and the following important topics were addressed.

Outside investment

We continue to remain focused on our negotiations toward a Definitive Agreement with PIF and the DP World Tour as our priority. Progress has been deliberate given the complex nature of the potential agreement, and we will keep you apprised of the progress, with continued input and direction from your Player Directors and player advisor Colin Neville.

Additionally, as you know, the Framework Agreement with PIF and the DP World Tour generated unsolicited – although not surprising – interest from numerous outside potential investors. The opportunity to potentially participate in the transformative growth of the PGA TOUR for the first time brought forth dozens of inbound prospects, which were all initially vetted by the TOUR's investment bank, Allen & Company.

Many of those prospects moved forward to a diligence review – with TOUR Management and Allen & Company working together with the potential minority investors' representatives – and we then received significant, formal proposals that demonstrate the power of the PGA TOUR brand, its players and our commercial opportunity.

TOUR Management, Allen & Company and The Raine Group thoroughly reviewed all bids and agreed, in concert, to recommend select parties advance to the next round based on various criteria, including financial value proposition, minority investment rights and strategic value-add. This is an important part of the process, allowing us to focus on the most attractive bids and the long-term value creation for you and the TOUR.

In the Policy Board meeting, we reviewed these remaining bids with the Independent Directors and Player Directors – with input from Allen & Co. and The Raine Group – and agreed to continue the negotiation process in order to select the final minority investor(s) in a timely manner.

Player Programs

Throughout this process, the Policy Board remains focused on maintaining and growing comprehensive player earnings as a basis for evaluating proposals from outside investors (both PIF and others).

Additionally, and as discussed at the Travelers Championship Player Meeting in June, TOUR management has designed a program that would align the interests of our members with the commercial business of the TOUR via direct equity ownership in PGA TOUR Enterprises. At the point we secure outside investment, this would be a unique offering in professional sports, as no other league grants its players/members direct equity ownership in the league's business. We recognize – as do all of the prospective minority investors who are in dialogue with us – that the PGA TOUR will be stronger with our players more closely aligned with the commercial success of the business.

Governance

And finally, the governance review remains a priority for all involved and we agreed to move this process forward at an accelerated pace with the ad hoc committee.

I'm pleased with the progress achieved and direction provided in yesterday's Policy Board meeting, and you should know that the entire Policy Board is working tirelessly on your behalf. In particular, I'd like to recognize the extraordinary time and effort invested by your Player Directors. Their dedication to every aspect of a very complicated process will allow us to eventually deliver the most value back to you and drive this organization to new heights.

We will continue to keep you informed of our progress on all of these items.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Jay Monahan". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.

Jay Monahan