



10th January 2008

Dear Fellow Member,

Dons Trust AGM - 12:00 noon on Saturday 26th January 2008

I attach the Notice and Agenda for the Annual General Meeting to be held on Saturday 26th January 2008 before the home game against Tonbridge Angels. The Board has already apologised for the postponement of the 2007 AGM. We now invite you all to come to the meeting. The Board is keen to talk to and hear from as many members as possible. We hope that by holding the AGM on a match day we will have a good attendance and an opportunity for a good exchange of views.

With this letter of invitation, you should find the following additional papers brought together in a single 26-page document:

- The AGM Notice and Agenda (page 2)
- The draft minutes of the SGM held on 27th September 2007 (pages 3 to 5)
- DT Board's Annual Report to the 2007 AGM (pages 6 to 12)
- A paper describing the six resolutions proposed by the Board (pages 13 to 21)
- A proxy form for use by those who are unable to attend the meeting (pages 22 and 23)
- A report on the 2007 elections (pages 24 to 26).

The accounts are presented as separate documents.

- Annual report and accounts for the Dons Trust for the year to 30th June 2007
- Annual report and accounts for AFCW PLC for the year to 30th June 2007

You will note that there are six resolutions to be voted upon at the meeting. The Board recommends that members vote in favour of each of them. If you are unable to attend the meeting in person, you are encouraged to return the proxy form at page 22 indicating how you wish to vote.

The Dons Trust AGM will be followed as soon as is practicable by the AFCW PLC AGM. This ordering of the meetings will allow Dons Trust members to authorise the Board on certain issues that the Dons Trust will be voting on at the AFCW PLC AGM.

I look forward to seeing as many of you as possible at the meeting.

Best wishes,

A handwritten signature in blue ink, appearing to read 'David Cox', written over a light blue rectangular background.

David Cox
Chair of the Dons Trust Board



Notice is hereby given of an **Annual General Meeting** of the members of the Wimbledon Football Club Supporters' Society Ltd to be held at The Cherry Red Records Fans' Stadium – Kingsmeadow, Jack Goodchild Way, 422a Kingston Road, Kingston-upon-Thames, KT1 3PB on Saturday 26th January 2008 at 12.00 noon

ANNUAL GENERAL MEETING

AGENDA

1. Minutes of the SGM dated 27th September 2006
2. Dons Trust Board AGM Report 2007
3. Dons Trust 2007 Annual Report and Accounts
4. Resolutions proposed by the Board
 - Resolution 1: "To approve the Society's annual report and accounts for the year ended 30th June 2007."
 - Resolution 2: "To reappoint Proto & Co as auditor of the Society for the year to 30th June 2008."
 - Resolution 3: "To approve the amendment proposed to Rule 22 of the Society's constitution and the creation of the associated Schedule that together are designed to protect the status of the club as one that is owned by its fans."
 - Resolution 4: "That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the fourth AGM of AFCW PLC in favour of approving AFCW PLC's accounts and the reports of the directors and auditors for the year ended 30th June 2007."
 - Resolution 5: "That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the AGM of AFCW PLC in favour of the following special resolution:
"That, pursuant to the company's articles of association, the directors be hereby authorised to allot further A ordinary shares up to the section 80 amount which for the purposes of this resolution shall be an aggregate nominal amount of £25,934, providing that such authority shall expire (unless previously reviewed varied or revoked by the company in general meetings) after the prescribed period which shall be twelve months from the date of this resolution."
 - Resolution 6: "That, subject to the passing of Resolution 5, the Dons Trust Board should be authorised to cast the Dons Trust's vote at the AGM of AFCW PLC in favour of the following special resolution:
"That, pursuant to the company's articles of association, the directors be empowered to allot further A ordinary shares up to an aggregate nominal amount of £3,500 at any time for the prescribed period of twelve months from the date of this resolution as if the statutory pre-emption rights in section 89(1) of the Companies Act did not apply to any such allotment."
5. Outcome of 2007 elections to the Society Board – pages 24 to 26 below.
6. Questions and answers
7. Any other business



Wimbledon Football Club Supporters Society Limited

Draft Minutes of the Special General Meeting held on 27th September, 2007 at 7.30pm

The Cherry Red Records Fans' Stadium - Kingsmeadow, Jack Goodchild Way, Kingston Road,
Kingston-upon-Thames, KT1 3PB

These minutes are submitted for approval by the members at the AGM

0. Introduction and Apologies for Absence

- 0.1 At 7:50pm, with the arrival of the 20th DT member, David Cox (DC) was able to declare the meeting quorate. Welcoming members, he conveyed apologies from Margaret and Tom Adam, Matthew Breach, Nigel Higgs, Paul Jeater, Marc Jones, Sandy Lawrence, Sean McLaughlin, Iain McNay, Kris Stewart and John Stewart.
- 0.2 DC and those present at the meeting noted with sadness the recent death of Brian Goodwin, who had been a member of the DTB for two years and a long-term fan and volunteer. David said that a short tribute had been paid to Brian in the programme for the game against Heybridge Swifts and that Eileen and Erik Samuelson and Margaret and Tom Adam had represented the Club and the Trust at the funeral service on Wednesday 26th September.

1. SGM Minutes

- 1.1 Turning to the minutes of the 28 June 2007 SGM, DC invited comments. It was noted that the resolution carried at that meeting (on asset lock) was to be completed with a further resolution to conclude the list of restricted actions. DC confirmed that this remained the intention. At the moment, the Trust was in correspondence with the regulator, the FSA, on the terms of the 28 June resolution. Once that had been settled, Dave Boyle of Supporters' Direct would assist the DTB in the work on identifying the remaining restricted actions to be set out in a resolution to be put to the 2007 AGM. The minutes were duly taken as accepted.

2. DTB Report back on the period June to September 2007

- 2.1 DC noted the absence of any Quarterly Report for this SGM. The production of these reports represented a disproportionate effort especially when, in the summer period in question, the main issues facing the Trust had been addressed and communicated to members ahead of the two special open meetings convened earlier in the month on the Strategy Review.
- 2.2 Consequently it had been thought more sensible to circulate for the SGM the minutes of the two meetings of the Board held in July and August. The Board's policy on communicating with members on DTB business was to note the main items of discussion on the Official Web Site the day after each Board meeting, and then to place the minutes of the meeting on the site as soon as they had been approved [click "Trust" and go to "Publications"]. DC thought that this form of regular updating was not only less time-consuming for the Board but also represented a more timely and informative way of keeping members up to date with developments. He agreed with a point from the floor that the AGM offered an opportunity for a thematic look back over the past year and a look ahead to the coming year. Such an Annual Report, timed for the AGM, represented a worthwhile exercise.



2.3 DC invited questions. In response to a question about the incorporation of the Ladies under the PLC umbrella, DC confirmed that this would not affect the funding of the Ladies. In response to a question about life membership of the DT, ES said that the Board would revisit the potential constitutional implications. In the meantime, on the substantive issue of the need to profile carefully expenditure so that we did not exhaust long-term income derived from this source, ES confirmed that the DTB were very alive to this point and to the need for financial prudence generally.

3. Update on the strategy review – outcome of open meetings held on 13th and 19th September

3.1 The two open meetings had attracted a total of about 100 people in total. This was disappointing in terms of numbers but ES believed that this was compensated for to some extent by the fact that the debate had been of a high standard and very helpful. The outcome on each of the issues would be written up by Geoff Seel and would provide an invaluable source for the creation of the strategy document.

3.2 Subject to the many other pressing priority projects (developments at the Greyhound Stadium site, the land at Morden Park and the Planning Permissions for Kingsmeadow) ES hoped to achieve his timetable of producing a draft document for consideration first by the DTB at its November monthly meeting [*subsequently rescheduled to 29th October*] and then the AGM on 29th November [*subsequently rescheduled to 15th December*].

4. Report on the Barclays Bank Credit facility

4.1 ES explained that, despite his understanding of the original agreement with Barclays, there was not in fact an absolute requirement to draw down within one year the full amount of the loan (£600k). In fact, for a fee (£1.5k), the Bank had been ready to vary this date and extend the facility to 30 June 2008. That extension has been taken up. The fee would be more than matched by the savings we would make on not having to pay interest payments on the full loan.

4.2 ES noted that in September total borrowings from Barclays rose by £25k to £275k, as the invoices for the capital expenditure came in and finally needed paying. He expected to draw down a further sum during October when our repayment 'holiday' ends and we must start making monthly payments to repay the Barclays loan principal.

5 Questions and answers

5.1 Where were we on obtaining the perimeter lease? There had been a good deal of toing and froing over recent months between us, Kingstonian and officials of the RB of Kingston with the purpose of agreeing a deal that could then be put as an agreed proposition to Kingston's Councillors. The general shape of such a deal was now well advanced but parts of it would have to remain confidential. However, ES had been pleased to learn from the consultants working for us on implementing the planning permissions that there were ways of phasing the necessary improvements to comply with the league requirements that could be done and were not dependent on us owning the perimeter lease. This meant that we could continue our negotiations on the lease without being subject to time pressures, a considerable improvement in our negotiating position. In general our strategy was to defer the major expensive elements of the necessary ground improvement until we could access the considerable grants (£1.5m) that become available when Clubs make it to the Football League.



- 5.2 What is the current capacity of Kingstonian? It was 4,212 when we got the ground and it now stood at 4,500.
- 5.3 Why did the Trust fund the ladies' and girls' teams? This was a historical accident. The Ladies' section had not been incorporated under the PLC. This anomaly was now being put right. But the fact remained that the money being put into the Ladies' and Girls' teams amounted to just £15k this year and the DTB had considered carefully whether that expenditure represented a good investment for a club committed to the community as a whole. It voted that it did and allocated the funds. The Board as a whole had looked at the issue and it was wrong to say that just one member was accountable for the ladies.
- 5.4 Was there any chance of the Club taking over the vacant premises of the bookmakers on the corner of the Jack Goodchild Way? Erik would find out the position and see if there was any prospect of using the gable end of the building to advertise the ground, games and functions from what was a prime position.
- 5.5 Would the Trust be represented at the Supporters' Direct Conference in Manchester on 19 October? Ideally yes but there were tremendous pressures on the time of the volunteers who constituted the Board. There was a limit to the amount of time they could devote to Board business.
- 5.6 How had Terry Brown settled in? He was aware of the high expectations and was uncomfortable at the poor start we had made to the season. He had been somewhat surprised at the standard of the opposition and struck by the way in which teams raised their game when playing AFCW. When we had a bad result, his weekend was a nightmare. He wanted to get players in as often as possible to work with them and in general his approach was raising the professional standards of the Club.
- 5.7 What are our plans to offer better facilities to fans who are disabled? The importance of improving our performance in this respect has been incorporated in the consultants' brief.
- 5.8 Would the need to accommodate away fans affect our plans for the ground? This would not really arise until we obtained promotion to the Conference. We would therefore be conscious of the eventual need to deal with this (as one of a number of potential consequences of promotions up the pyramid) as we decided the best way of phasing the improvement of the ground.
- 5.9 Should the Board cut back on the number of constitutionally obligatory SGMs and move instead to a system where meetings would be called to discuss issues of moment and interest? The feeling of the meeting was that this made sense and that it was important for the Trust to conserve the energy of its members and avoid becoming "meetinged" out.

6 Any other business

- 6.1 Concluding the meeting, DC thanked members for their attendance.

A handwritten signature in blue ink, appearing to be 'DC', written over a light blue rectangular background.

Chairman



Dons Trust Board Annual Report to the 2007 AGM

1. Purpose and scope of this report

This report is presented by the Board to the membership as a brief and necessarily selective account of its work in 2007. It also looks ahead and identifies some of the key issues that will face the Board in 2008. Although the Board has some solid achievements and progress to its credit over the past year, the selection of material for the report has not been made to serve the reputation of the Board. On various fronts, the Board has found itself facing longstanding and intractable problems (eg how to reverse the trend towards a declining and less active and involved membership) and the report seeks to pick out those areas of particular difficulty where the Board would like the help and contributions of the membership as a whole in coming up with new and creative ideas in 2008. The Board is far from thinking it has all the answers and the more brains and imaginations we have focused on these issues the better. If this report stimulates greater involvement and more interaction and communication between Board and members than we have enjoyed in 2007, then it will have more than met its primary purpose.

2. Members of the Board in 2007

David Cox (Chairman), Tom Adam, Matthew Breach, Rob Dale, Ivor Heller, Nigel Higgs, Paul Jeater, Marc Jones, Sean McLaughlin, Iain McNay, Sandy Lawrence and Erik Samuelson. There were no changes in membership and no co-options over the course of the year. David Wilkinson acted as Secretary.

3. Meetings of the Board in 2007

The Board met 16 times in 2007. As well as its regular monthly meetings, the Board also held an introductory workshop in January and additional special meetings in March (deduction of points by the Ryman League), August (strategy review) and October (Morden Park). The Board also arranged this AGM and two special general meetings in June and September.

Edited versions of the minutes of these meetings can be found on the AFC Wimbledon official web site (click on "Trust", then "Publications", then "DTB Minutes"). Minutes of AGMs and SGMs are also available on the Trust pages.

4. The role of the Board – strategic leadership, direction and accountability

At its first meeting in 2007, the Board decided to adopt the general approach and working patterns piloted in the second half of 2006 under the Strategic Review and Oversight Board (SROB). In practical terms, what this means is that throughout 2007 the Boards of the DTB and AFCW PLC have worked together very closely in order to give the Trust and Club unified, strategic leadership and direction, with a clear line of accountability running from the three Club Directors up to the full elected DTB which is, in turn, accountable to the membership as a whole.

The DTB has deliberately kept itself at arms length from the day-to-day operations and management of the Club which have been left in the hands of the three Directors of AFC Wimbledon Ltd - Erik Samuelson (Chief Executive), Ivor Heller (Commercial Director) and Nigel Higgs (Youth and Community Director). The three Directors (all of whom are simultaneously elected members of the DTB) are accountable to the Board as a whole and they come to it for approval of strategic policy developments (eg response to developments at the Greyhound Stadium and Morden Park) and/or major financial commitments (eg maintaining the Kingsmeadow planning permissions, agreeing our



negotiating position on the perimeter lease and drawing down sums from the £600k Barclays Bank credit facility).

Typically, the agenda of the monthly DTB meeting comprises major issues of the kind just itemised as well as issues that are of continuing strategic importance to the Trust (eg membership levels, fundraising, and member participation) and the Club (eg the stadium, training facilities, the youth and ladies teams) and receiving, discussing and questioning the regular reports and accounts from Erik, Ivor and Nigel.

Where does football fit into this? In their formal sessions, the fans who make up the Board stick to a self-denying ordinance that all footballing matters are channelled through the Chief Executive so that the first team Manager has a clear and uncluttered line of communication with the Club management. Rather than indulge in general footballing discussion, the Board confines itself to strategic matters, key ones in 2007 being the size and availability of the playing budget and the endorsement of the process adopted for selecting and appointing a new first team manager.

5. Highlights of 2007

5.1 Appointment of the Chief Executive

In March, Erik Samuelson was appointed Chief Executive of AFCW PLC after a careful selection process drawn up and overseen by the DTB. This entailed the production of an updated job description and objectives, an assessment of Erik's performance as Acting Chief Executive, and an interview with the Board. Some criticised this as a bit excessive. However, the Board thought (and Erik agreed) that it was incumbent upon them to demonstrate to the members that it had not just given the job to someone but had followed a rigorous appointment process designed to confirm that it was offering the position to the right person and was determined to manage the CEO rather than fall into a relationship where the CEO effectively manages the Board.

DTB Actions for 2008

- Complete and sign the formal contract.
- Conduct an annual appraisal of the Chief Executive's performance against his agreed job description and objectives.
- Review support available to CEO with a view to securing him sufficient time to devote to strategic issues (see next item).

5.2 Strategy Review

This has been a standing agenda item throughout the year, with the Board holding discussions with Erik on the basis of his regular progress reports. The exercise demonstrated the difficulty of running a complex exercise to a tight timetable within an organisation dependent on stretched voluntary contributors. It also showed the need to provide the Chief Executive with more basic support so that he could devote more time to strategic matters. Eventually, the combined pressure of other even more pressing operational business issues (primarily participating in the community bid for Morden Park, maintaining the planning permissions for Kingsmeadow and keeping abreast of developments on the Greyhound Stadium) meant that the deferred deadline for submitting the strategy document by the end of 2007 was missed.

Under a new timetable endorsed by the Board, Erik will seek to get a draft of the strategy document out before the AGM for comment by members. Erik and the Board will then be able to take these comments into account in producing a final version in the New Year. Once completed, a SGM will be convened at which there will be a formal vote on the strategy.

DTB Actions for 2008

- Receive and (subject to any amendments and comments) adopt the draft Strategy Document and submit it to a spring 2008 SGM for endorsement by the members.



- Once the Strategy is in place, the DTB will need to put in place arrangements for overseeing the implementation of the strategy.

5.3 Ryman League Points Deduction

This was the lead item at the spring meetings of the Board up to and including an extraordinary DTB meeting convened at the chambers of Jim Sturman QC on 23rd March. The success in getting the disproportionate punishment reduced was a collective one and was down to a whole range of people outside and beyond the DTB. So, although the story is well known, the Board thinks it right to repeat here the independent conclusion from the petitions page of the No 10 Downing Street web site:

“As this is a football issue, it wasn't a situation where the Government could intervene - it was for the Ryman League and ultimately the Football Association to decide upon. The good news is that at an FA Appeal Board meeting, although the £400 fine imposed by the Ryman League was not reduced, the points deduction imposed on AFC Wimbledon by the League was reduced from eighteen points to three points. The Appeal Board ruled that, although the Ryman League had not misinterpreted its rules on eligibility and the decision to deduct 18 points was in accordance with those rules, given the specific and unusual circumstances the original deduction was excessive. Hopefully everyone, particularly supporters of AFC Wimbledon, is satisfied with the outcome.”

DTB Actions for 2008

- Continue to apply systematic procedures adopted to secure compliance with FA and other rules.
- Consider how during “normal” times we might improve our ability to tap into the creativity, commitment and support that Wimbledon fans and DT members always seem show in critical times like this.

5.4 Dons Trust Membership

As of end May, there were 1,262 senior members of the Trust and [220 or 386] junior members. An estimated 540 members had lapsed since February 2006. In the course of the year, the Board introduced:

- (i) membership renewal by direct debit, and as an incentive to pay this way the DT offered a one-off discount of £5 off the standard £25 annual renewal fee;
- (ii) a new intermediate membership category for 16-21 year olds with a reduced fee of £10;
- (iii) a revised application form; and
- (iv) annual membership with a one-off fee of £500.

Mail shots of lapsed members are being undertaken to find out more about the reasons for non renewal, and to encourage ex members to rejoin the Trust.

Whilst agreeing to press on with these measures, the DTB debated whether it should accept the irreversibility of dwindling Trust numbers or whether there should be a radical reappraisal of the nature of membership designed simultaneously to stimulate a closer commitment to the Club from its supporters and to provide those Club supporters who doubled up as Trust members with tangible benefits. The Board agreed to look into the idea of granting Trust membership in return for the payment of a fee that would be levied automatically as part of the price of annual season tickets and that might, over time, provide the holders with preferential treatment (for example, invitations to certain events or functions or access to certain parts of the stadium). In this way, all regular supporters would be making a contribution to the continuing effort needed to maintain the nature of the Club as one that is under democratic ownership and whose strategic direction is set and monitored by representatives elected by the members.

DTB Actions for 2008

- Examine, in consultation with Supporters Direct, the potential advantages and disadvantages, including the legal, financial, tax and constitutional implications of any move in the direction of membership via season ticket holding, drawing upon the knowledge of other Trusts with experience of this approach



- At the same time, examine the diminishing involvement of members as evidenced by the poor attendance at SGMs, the two September open meetings on the strategy review and the fact that only 3 members came forward for the 2007 Board elections.
- As one element of this, consult members on the value of holding four constitutionally obligatory General Meetings a year and whether it would not be a better use of our limited time and energy to move instead to other forms of participation where general meetings would only be called as and when there were issues of strategic importance for the members to consider.
- To seek to maintain and, if possible, to drive up Trust membership, using to their full potential all of the natural channels for advertising, namely the match programme, the PA system on match days and the AFC Wimbledon web site.

5.5 Restricted Actions

At the June SGM the Trust resolved to adopt the first part of a proposed two-phase rules change, devised and drafted for the Board by Dave Boyle, Deputy General Secretary of Supporters Direct. The Resolution created a new class of restricted actions (generally those that would affect the future ownership of the Club) that could only be taken in future on the basis of decisions taken by the members who must vote for them by substantial specified majorities.

In this way the Board sought to meet the undertaking that it had given at the 2006 AGM to close the loophole whereby in theory the DTB would be free to sell to an outside buyer the Trust's majority of shares in AFCW PLC.

Originally, the Board planned to bring forward the second part of the rule change to the 2007 AGM, specifying a second class of restricted actions involving less obvious decisions that the DTB might make that could undermine the Trust's ownership of AFCW PLC. The plan had been that the AGM would be preceded by a consultation period using innovative methods drawn up by Supporters Direct to identify what sort of decisions might fall into this class.

However, in the event, the Regulator (the Financial Services Authority) raised some technical questions about the terms of the June SGM Resolution and the Board ran out of time for proceeding as planned.

DTB Actions for 2008

- Having confirmed (through a further resolution proposed to the 2007 AGM) that the FSA-amended version of the Resolution retains the approval that members gave the original in June 2007, hold the planned but deferred consultation to identify the sort of further decisions that should be added to the schedule of restricted actions.
- Draw up a further concluding Resolution reflecting the results of that consultation for submission to the spring SGM.
- Submit to the FSA as a rules change.
- Operate the system of restricted actions.

5.6 Ladies Football

Once the FA had approved the Ladies' Memorandum and Articles of Association, the Board resolved in July that the Ladies section should be incorporated within the company structure under the AFCW PLC umbrella as a separate DT-owned entity known as AFCW Ladies Limited that would sit alongside AFC Wimbledon Limited and AFCW Stadium Limited. The Board approved by majority vote a budget of £15k for the ladies' and girls' teams, considering that to represent a good investment for a club committed to the community as a whole.

DTB Actions for 2008

- Having completed the incorporation process, transfer the ownership of AFCW Ladies to AFCW PLC.
- Ensure that the Ladies become an integral part of the AFCW family.



5.7 Kingsmeadow Stadium – improvements, the perimeter lease and planning permissions

Over the summer, numerous improvements were made at Kingsmeadow, with the Board endorsing the capital outlay on the refurbishment of the toilets at the Tempest End and back bar, the stadium frontage and the President's lounge.

The perimeter lease has featured regularly on the Board's agenda over the whole year. It is owned by the RB of Kingston. They agreed to sell it to us for £100k and use the proceeds for the benefit of Kingstonsians. We, the Borough and Ks have been in negotiation to try to come up with a mutually acceptable deal that the Borough's officers can take to their councillors for approval. A broad agreement had now been reached but there are still some (commercially confidential) points to be resolved so this report cannot be more forthcoming than to say that the DTB hopes to be in a position to report the successful resolution of this matter in the near future.

The current planning permissions that will enable us to upgrade the ground so that it would meet the requirements for admission to the Football League expire in March 2009. In practical terms in order to preserve these permissions, we must make a start on implementing the preferred permission during the next close season (summer 2008). The Board therefore authorised the commissioning of consultants (KSS) to produce a first outline design for the upgrade of the ground that would then be followed by a full design with all the necessary engineering input and detailed structural drawings. KSS have significantly freed up the Board's thinking on improving Kingsmeadow and explained the many different ways open to us of phasing the necessary improvements as the Club makes the progress we are hoping for up the pyramid. The Board adopted a general strategy of deferring the most expensive elements until we could access the considerable grants (currently up to £1.5m) that become available when Clubs make it to the Football League. The likely starting point is to extend the Kingston Road end of the main stand, and it is significant that this phase of the plan can be implemented without us having to acquire the perimeter lease.

DTB Actions for 2008

- Review and authorise the final negotiated deal on the perimeter lease
- On the basis of a detailed presentation and examination of the detailed costings prepared for the first phase of the plan and the proposals for meeting the capital expenditure involved, give the go-ahead for building work to proceed
- Maintain general oversight of the progress of this first phase to time and budget
- In due course receive and consider design and funding proposals for subsequent phases of the plan for redeveloping Kingsmeadow.

5.8 Developments at the Greyhound Stadium

Throughout the year the Board never lost sight of the Trust's continuing interest in having a football stadium in Merton. As early as the January workshop, the Board agreed to reaffirm that position at a meeting with officials at the LB of Merton on 8 January on the drafting of the Local Development Framework document.

When the news of the proposed sale of the Greyhound Stadium emerged, the Board decided that the Trust should get itself into a position where it could keep in touch with key players (including the politicians of all parties in Merton) and up-to-date with potentially fast moving developments. Then, if an opportunity were to present itself, we would be in a position to identify and form opportunistic partnerships with developers who might conceivably find themselves having to include a football stadium in their plans. In such a situation, they might also find it advantageous to be able to demonstrate a constructive association with the natural occupants of that stadium, namely AFC Wimbledon. It was accepted that such an opportunity might in the event not arise. However, even at long odds, the Board believed it should identify an expert or experts who might be engaged to examine the prospects of the Trust and the Club finding partners with whom we could cooperate in drawing up a business plan for the redevelopment of the Greyhound Stadium site, one of



whose central elements would be the creation of a football stadium. This is now being pursued and we are taking professional advice on the profile of someone who could drive this from our end.

DTB Actions for 2008

- Identify and engage experts who understand the dynamics and handling of property development projects with a stadium element.
- Pursue opportunities as and when they arise, recognising the real risk that this may prove a false aspiration but also accepting that the Board has no option but to pursue the dream.

5.9 The Barclays Loan

When we obtained the £600k loan facility from Barclays in March 2006, £350k remained owing to Mr Khosla. He was paid off in full using funds that AFC Wimbledon had to hand at that time plus a relatively small amount of the loan from Barclays. In this way, the draw down of the Barclays loan was delayed for as long as possible, so saving on the payment of interest to the Bank. The club's strategy, approved by the Board, for managing the loan was to draw down the Barclays facility when needed to replace the cash that the club had used to repay Mr Khosla. Throughout the year, the Board has overseen and authorised all of these staged drawings on the £600k credit facility that has now been extended to 30 June 2008.

As of December, £325k of the overall loan facility had been drawn down, leaving £25k to be drawn down to complete the repayment of the Club, with the final £250k ring fenced to meet part of the cost of implementing the Kingsmeadow planning permission. Our repayment holiday ended in October since when we have had to start making monthly payments to repay the Barclays loan principal.

Actions for DTB in 2008

- Continue to receive monthly reports from the Chief Executive on the drawing down and now the repayment of the Barclays loan (interest by club and principal by trust).
- Continue to discharge its oversight role of checking AFCW PLC's outturn against budget on both capital and revenue streams primarily by means of receiving and analysing 3 monthly accounts.

5.10 Fundraising

One of the Trust's key contributions to the Club is the financial support it is able to give first from its general income (primarily raised through DT membership fees) and second from its fund-raising. The main sources of the £92k raised by this second means over the past year¹ were as follows: (i) £52k via the DT Draw whose top prize reached the £1k mark in the course of the year; (ii) £12.5k via Golden Goals; and (iii) £27.5k from other specific events (such as the evening with Lawrie Sanchez and the latest in the series of Walks for Wimbledon). These events had been organised in the past by the fundraising group ably led by Fazal Ahmad. The Board has only just found a successor to Faz and Mark Davis has agreed to act as a coordinator and facilitator, responsible first for drawing up an annual list of fundraising events and then for persuading a set of volunteers to take the lead in running individual items from the list.

Actions for DTB in 2008

- Protect and seek to expand the important income streams generated from the Trust's fundraising activities.

5.11 Morden Park

In December 2005, the London Borough of Merton asked for bids to run 65 acres of playing fields in Morden Park. A number of organisations, including AFC Wimbledon, joined together to submit a bid. The joint proposal was unsuccessful, as were all the other submissions. Subsequently, Merton

¹ That is during the financial year ending June 2007: for further, fuller details see the accounts tabled for the AGM.



Council sought bids for a smaller (but nonetheless substantial area) of the Park. AFC Wimbledon has again joined in a combined bid, with other parties (including Tooting & Mitcham Football Club, The Hub, The Parish of Morden and Ahmadiyya Muslim Association) under the name Morden Park and Playing Fields Community Trust (MPPFCT).

The MPPFCT proposal aims to provide playing facilities for the community by providing a full range of affordable, quality amenities available to all. The proposal includes grass and artificial football pitches, a community play zone and other sporting facilities. The facilities would meet some of the Club's training needs.

The Board has been involved in discussions about key points in the proposal, not least the decision to participate in the MPPFCT rather than going it alone. The bid was submitted in mid-October and we await the council's response.

Actions for DTB in 2008

- Depends on Council response to the MPPFCT bid
- Whatever the outcome, Board proposes to draw lessons from this exercise in reviewing its community links

5.12 Volunteers

The Board would like to end this report with a brief but massive thank you to all the volunteers who put so much time and effort into the Club and the Trust in 2007. The role of the volunteers has been a central theme of the Strategy Review and the Board hopes to be able to devote more time to this important subject next year.

Actions for DTB in 2008

- Ensure that more systematic consideration is given to the needs and views of the volunteers without whom the Club and Trust would be unable to exist

Written by David Wilkinson and approved by the DTB
December 2007



Wimbledon Football Club Supporters' Society Limited ("The Dons Trust")

THE RESOLUTIONS PAPER

The Board proposes the following resolutions to be presented to the Annual General Meeting of the Dons Trust on 15th December 2007.

Resolutions 1,2,4,5 and 6 require a simple majority of votes cast to be passed at the meeting.

Resolution 3 proposes a change to the Society's rules and in accordance with Rule 96 requires at least two thirds of the votes cast in person or by proxy.

The Board recommends that members vote in favour of each of the resolutions.

Please find attached at page 22 a Proxy Form for your use if you are unable to attend the meeting. Please note that, where members indicate that the Chair of the meeting should exercise a vote on their behalf at the Chair's discretion, the Dons Trust Board will ensure that the meeting is chaired by a member of the Board, who will exercise that vote in accordance with the Board's recommendations set out in this paper.

Resolution 1

"To approve the Society's annual report and accounts for the year ended 30th June 2006."

Resolution 2

"To reappoint Proto & Co as auditor of the Society for the year to 30th June 2007."

Resolution 3

"To approve the amendment proposed to Rule 22 of the Society's constitution and the creation of the associated Schedule that together are designed to protect the status of the club as one that is owned by its fans." [The full text of the Resolution is given at pages 18 to 21 below.]

Resolution 4

"That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the fourth AGM of AFCW PLC in favour of approving AFCW PLC's accounts and the reports of the directors and auditors for the year ended 30th June 2007."

Resolution 5

"That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the AGM of AFCW PLC in favour of the following special resolution:

"That, pursuant to the company's articles of association, the directors be hereby authorised to allot further A ordinary shares up to the section 80 amount which for the purposes of this resolution shall be an aggregate nominal amount of £25,934, providing that such authority shall expire (unless previously reviewed varied or revoked by the company in general meetings) after the prescribed period which shall be twelve months from the date of this resolution."

Resolution 6

"That, subject to the passing of Resolution 5, the Dons Trust Board should be authorised to cast the Dons Trust's vote at the AGM of AFCW PLC in favour of the following special resolution:



“That, pursuant to the company’s articles of association, the directors be empowered to allot further A ordinary shares up to an aggregate nominal amount of £3,500 at any time for the prescribed period of twelve months from the date of this resolution as if the statutory pre-emption rights in section 89(1) of the Companies Act did not apply to any such allotment.”

The Board recommends that members vote in favour of all six Resolutions.



EXPLANATION OF DT AGM RESOLUTIONS

The Board does not consider it necessary to elaborate further upon Resolutions 1 or 2 in advance of the meeting. Set out below is the Board's reasoning in relation to its recommendations in favour of Resolutions 3, 4, 5, 6.

RESOLUTION 3

At the SGM on 28 June, the members carried unanimously a resolution amending the Trust's constitution to protect the club from any actions taken to alter the Trust's ownership of the club.

All amendments to the Rules of the Trust must be sent to the Financial Services Authority (FSA) for approval, and until they are approved, they do not have any force.

This was the first time the FSA had seen amendments like this, in connection with a supporters' trust which owns a football club. As a result, there has been an exchange of several letters between them and us to clarify what we are trying to achieve and explaining a little more about the background of the Trust and the Club. We are pleased to say that we have reached an understanding whereby they are happy with what we are trying to achieve.

However, in order for them to be happy, we have had to make some small changes to the wording approved by members in June. The FSA informed us that they viewed these changes as cosmetic, and did not change the wording in any meaningful way. As a result, we could, if we wanted, just resubmit the amended documents to them.

The Board does not feel that this would be the best way to proceed. We think that this issue is so important that we should do it 'by the book' and leave nothing to chance. As a result, the slightly amended rule change is being brought back to this AGM for approval. The full resolution and the text of the rule change is reproduced in full at pages 18 to 21 below.

What has changed?

- a. References to 'the Trust' or 'the Dons Trust' have been changed to 'Society' since this is the legal term for the Trust, and as these are legal documents, we wanted them to be accurate.
- b. There is a footnote explaining that references to 'the Society' mean the Dons Trust.
- c. A clarification that any amendments to the Schedule of Actions must first be registered with the FSA in order to become operative.
- d. The original date for completing the addition of new items to the Schedule - after consultation with members - was to have been this AGM. Because of the time involved in agreeing the way forward with the FSA, we have not been able to undertake the consultation, and so we are saying that this process must be complete by the time of the next AGM, which means the first or second SGM of next year.

The Board recommends that members vote in favour of Resolution 3.

RESOLUTION 4

Resolution 4 seeks authorisation from the membership for the Board to vote in favour of approving the AFCW PLC report and accounts at the AFCW PLC AGM that will be held as soon as is practicable after the Dons Trust AGM. This relates to agenda item 1 on the AFCW PLC AGM, which reads as follows:



“To receive the company’s accounts and the reports of the directors and auditors for the year ended 30th June 2007.”

Since the Dons Trust has a controlling vote in AFCW PLC, its report and accounts will necessarily be approved if the DT Board exercises the Trust’s votes in favour of approval at the AFCW AGM. Given that AFCW PLC is the Trust’s major subsidiary, and since the Trust does not publish consolidated accounts which include the financial position of AFCW PLC, the Board accepts that it is appropriate to give members a say in approving AFCW’s report and accounts. In the same way as last year therefore, the AFCW report and accounts is therefore being put to the DT membership for a vote this year.

The Dons Trust Board is satisfied with the AFCW report and accounts and has resolved to exercise the Dons Trust’s votes in favour of approving them at the AFCW AGM.

The Board recommends that members vote in favour of Resolution 4.

RESOLUTIONS 5 & 6

There are two resolutions on the AFCW PLC AGM agenda as follows:

(i) **Authority to allot shares**

To consider the following resolution as a special resolution²:

“That, pursuant to the company’s articles of association, the directors be hereby authorised to allot further A ordinary shares up to the section 80 amount which for the purposes of this resolution shall be an aggregate nominal amount of £25,934, providing that such authority shall expire (unless previously reviewed varied or revoked by the company in general meetings) after the prescribed period which shall be twelve months from the date of this resolution.”

(ii) **Disapplication of pre-emption rights**

Subject to the passing of the previous resolution to consider the following resolution as a special resolution:

“That, pursuant to the company’s articles of association, the directors be empowered to allot further A ordinary shares up to an aggregate nominal amount of £3,500 at any time for the prescribed period of twelve months from the date of this resolution as if the statutory pre-emption rights in section 89(1) of the Companies Act did not apply to any such allotment.”

These two resolutions are opaque and this note tries to explain in ordinary language what is being proposed; why it is being done and why none of it presents any problem in relation to the Trust’s ownership of AFCW PLC. When the PLC was created, 5 million A Ordinary shares were created, but only a proportion was actually sold. The remaining shares can be sold on enquiry to the DT itself or to anyone else. The DT has already bought a number of these shares over the last 3 years, and recently WISA bought some from the same pot.

² i.e. resolutions requiring a majority of 75% of the votes cast by AFCW shareholders



These two Resolutions are a continuation of a previous policy agreed by DT members³, namely that if the Club is approached by individuals or institutions who want to buy shares, then they can sell them if they think it is a good move. This doesn't oblige them to sell shares, but gives them the ability to sell them if someone comes along wanting to buy some. At various times in the past, people have made enquiries to buy reasonably large amounts of shares. As things stand, there's no offer on the table or enquiry that has been made, but the DT Board think it would be a good idea to allow the PLC to be able to sell some shares which already exist, if someone comes along wanting to buy some. These Resolutions deliberately only grant them this authority for one year.

The Resolutions mean that if someone did want to buy shares, there's no need to first contact every existing shareholder to see if they want to maintain their shareholding at the same level and so buy more shares.

Given that the DT will always in any case own more than 75%, any sale will not affect the overall ownership of the Club and the Resolutions just make selling some shares less convoluted and time-consuming than it would otherwise have to be.

Even if the Board were to sell all the shares they are asking for the power to be able to sell, it would not affect the ultimate control of the Club by the DT. Under the constitution of the Club, the DT's shares (Ordinary shares) are worth 3 times in terms of votes than the A Ordinary shares that these Resolutions relate to, so there is no chance of that being changed by the sale of these shares.

Referring back to Resolution 3, once that is carried and incorporated in the Trust's Rules, any change to the DT's control would be classed as a Restricted Action and would need to be voted on by a special majority laid down in the Schedule to the amended Rule 22.

The Board recommends that members vote in favour of Resolutions 5 and 6.

³ This was at the 2005 DT AGM. Among other things, that policy says:

"It will be up to the PLC's Board to determine the circumstances in which to seek authorisation to allot, and then to allot, some or all of the remainder of the 5,000,000 authorised A Ordinary shares which have not been issued to date. Provided it considers the terms of any such request for authorisation appropriate, the Dons Trust Board shall be authorised to cast the Dons Trust's votes in favour of giving such an authorisation to the PLC Board. However, no authorisation shall be given to the PLC to increase the authorised share capital of the PLC without the consent of Dons Trust members in general meeting."



RESOLUTION 3 – COMPLETE TEXT

The Society resolves:

22 to amend the rules as laid out below

23 to create Schedule 1 as laid out below

24 to allow section B of Schedule 1 to be added to by members at the next SGM of the Society by a majority of members voting by person and by proxy at that meeting.

Thereafter, any amendment to Schedule 1 shall be in accordance with the provisions laid down within it.

Rule 22

22The members have the following rights and powers:

- a) the rights and powers available to them under the law relating to industrial and provident societies and are to decide in particular the issues specifically restricted to them by these rules.
- b) to solely determine whether the society undertakes Restricted Actions defined in Schedule 1 of these rules, and only if they are approved under the provisions laid down in Schedule 1. In a matter defined as Restricted Actions, Rule 23b shall not apply.
- c) Clause 22b and Schedule 1 may only be amended if the members approve such resolutions in accordance with the provisions laid down in Schedule 1.

Rationale

- to establish the principle of the Restricted Action in the appropriate section of the rules.
- 23b gives comfort to those dealing with the trust, but in restricted matters, the onus must be placed on the third party to understand what has and has not been approved, reversing the situation which applies to most actions.
- the process of rescinding the principle of restricted actions must be as difficult as passing a restricted action itself, so there is no short-cut to avoiding it by removing it from the rules.

Schedule 1 – Restricted Actions

1 Preamble

- a) The Society⁴ was created by Wimbledon fans as a means of exercising as much control and ownership of their football club as possible, which is now expressed through ownership of AFC Wimbledon. Actions that threaten that status of ownership and similar major decisions are classified as Restricted under Rule 22b and listed in section 2 of this Schedule.
- b) They can only be approved by the members of the Society, and can only be undertaken if they are approved subject to the provisions laid down below.
- c) Actions have been graded according to the thresholds required to approve them. They indicate both the outcomes of actions in addition to specific actions that could be taken.

⁴ References to 'the Society' and its Board refer to the Wimbledon Football Club Supporters Society Limited (29337 R), trading as The Dons Trust



A restricted action is not just a rigidly defined act, but one which results in a certain outcome occurring. These apply to actions of the Society, but as the Society Board is the controlling interest of the club and its subsidiaries, they also apply to all actions by the Society or its subsidiaries which result in the same outcomes or which have the same effect, and the Society Board is responsible for ensuring that proper scrutiny is applied to its subsidiaries to fulfil this requirement.

2 Restricted Actions

Action	Status Designation
<i>Any action that results in the Society's voting capacity in AFCW plc falling below 75% +1 share</i>	A
<i>Sale or reassignment of any of the leases at Kingsmeadow in favour of outside parties</i>	A
<i>Any issue of new shares in AFCW plc, or transfer of existing Society shares in AFCW plc, to 3rd parties</i>	B
<i>Any alteration in the ownership or corporate status of AFCW Ltd or AFCW Stadium Ltd that increases the influence of 3rd parties over either of those two companies vis-à-vis the Society</i>	A
<i>Altering the terms of the lease to play at Kingsmeadow to leave the club having less favourable terms in respect of length of tenure, rights or rents paid</i>	B
<i>Name of the Club, or its status with the FA</i>	A
<i>Amending Rule 22 of the Society's Rules</i>	A
<i>Reclassification of a the status designation of a Restricted Action</i>	As per the existing status of that Action
<i>Addition of items to the list of Restricted Actions at or after the 2008 Annual General Meeting or after the meeting referred to in clause 6a, whichever is the sooner.</i>	B
<i>Addition of items to the list of Restricted Actions as proposed by the Board at an SGM the Board call and hold before 2008 Annual General Meeting</i>	D
<i>Revoking this Schedule</i>	A
<i>Amending this schedule, other than as outlined in sections 6-8</i>	B
<i>Amending this schedule, other than as outlined in sections 6-8, in which the Society Board believe is likely to have the effect of making it easier to achieve an action currently listed in this section</i>	A

3 Non-Restricted actions

- a) For the purposes of this Schedule, investigating opportunities to undertake Restricted Actions are not Restricted Actions in themselves provided that:
 - i) such investigations do not commit the Society or its subsidiaries to undertake Restricted Actions
 - ii) the Society Board takes reasonable steps to ensure that relevant 3rd parties are aware of the requirement for member approval of Restricted Actions and members are made aware of the investigations as soon as practicable;



4 Status designation majorities and thresholds:

- a) For each class of restricted action, the following procedures and majorities must be achieved:

A	First meeting as Category B, followed by a confirmatory meeting within one month to confirm the identical proposal. At the second meeting, the proposal must be approved by two-thirds of those present in person or by proxy at the meeting, and the meeting being attended in person or by proxy by at least 50% of members eligible to vote
B	i) at least 50% of total eligible membership cast a vote on the resolution; ii) at least 75% of the votes so cast are cast in favour of the resolution; iii) the number of votes so cast in favour of the resolution represent at least 40% of the total eligible membership.
C	A vote by at least 75% of members present in person or by proxy at a general meeting on a resolution, which must also specify the risks of such a resolution resulting in Restricted Actions becoming more likely as a result of the action being approved
D	A vote by two-thirds of the members present in person or by proxy at a general meeting on a resolution
E	A vote by the Society Board which at their discretion may be referred to the membership

- b) All references to meeting in this section shall include the use of postal votes to determine outcomes, save that any such vote must be preceded by a properly convened meeting to provide members with the opportunity to discuss the matter.

5 Certification of Restricted Actions

- a) Each resolution to be placed before the members should be certified by the Secretary that it is a Restricted Action or not, and if it is, which status category it falls into and so what majority is required to approve it. The Secretary shall take the necessary advice in order to form this judgement.
- b) If a member feels that the classification of an issue is incorrect, they shall write to the Secretary within 5 days of the agenda being circulated stating why they believe it is an incorrect assessment. The Secretary shall ask for a definitive ruling from the Chief Executive of Supporters Direct whose decision shall be final within the terms of these rules.

6 Additions to Restricted Actions

- a) At an SGM called by the Board and held before the 2008 Annual General Meeting, the Board will bring forward a second set of actions to be added by members, which may be added to Section 4 of this schedule by a simple majority of members voting in person or by proxy at that meeting.
- b) Thereafter that decision has been taken, an action shall be added to Section 4 of this Schedule by a vote of members classified as a Restricted Action under Category B status.

7 Reclassification of Status

- a) Reclassification of status means either changing the status designation of an item in Section 4 from one category to a different category, or removal from the list of Restricted Actions in Section 4.
- b) An item's status can only be reclassified after a vote equivalent to approving a resolution authorising that Action. A proposal to reclassify an 'A' status item as 'B'



status requires a vote equivalent to an A status item. A proposal to change a 'B' Status item to an 'A' Status item requires a vote equivalent to a B status item, and so on.

8 Rescinding this Schedule

- a) This Schedule once approved can only be removed by a vote classified as an A status restricted Action.

8. Amending this Schedule

- a) All amendments (other than reclassification of the status designation of an Action, or adding an Action, which are detailed above) shall be considered 'B' status items.
- b) The exception shall be that if the Society Board or the Secretary believe that a change is being proposed that in effect will make a current Restricted Action easier to achieve, they may classify it as an 'A' Status item.
- c) No amendment shall become effective until registered with the FSA.



Wimbledon Football Club Supporters' Society Limited ("The Dons Trust")

FORM OF PROXY

I, of
.....[*Please see Note (1) on next page*]
being a Member of the Dons Trust, hereby appoint

..... [*Note (2)*]
or the Chairman of the Meeting

as proxy to vote for me on my behalf at the Annual General Meeting of the Society to be held on 26th January 2008 and at any adjournment thereof.

This form is to be used in accordance with my instructions below. I instruct my proxy to vote as follows:

(Please place an X in one box ONLY in respect of each of the six resolutions [*Note (3)*])

<u>Proposed Board Resolutions</u>	In favour	Against	At my proxy's discretion
1. "To approve the Society's annual report and accounts for the year ended 30 th June 2007."			
2. "To reappoint Proto & Co as auditor of the Society for the year to 30 th June 2008."			
3. "To approve the amendment proposed to Rule 22 of the Society's constitution and the creation of the associated Schedule that together are designed to protect the status of the club as one that is owned by its fans." [see pages 18 to 21 for full text]			
4. "That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the third AGM of AFCW PLC in favour of approving AFCW PLC's accounts and the reports of the directors and auditors for the year ended 30th June 2006."			
5. "That the Dons Trust Board should be authorised to cast the Dons Trust's vote at the third AGM of AFCW PLC in favour of the special resolution on the allotment of shares..." [see pages 16 & 17 for full text]			
6. "That the Dons Trust Board should be authorised, subject to the passage of Resolution 6, to cast the Dons Trust's vote at the third AGM of AFCW PLC in favour of the special resolution on the disapplication of pre-emption rights..." [See pages 16 & 17 for full text]			

(Unless otherwise instructed above the proxy may vote or abstain as he or she thinks fit.) [*Note (4)*]

Signed this day of January 2008

Membership Number (if known)

Please ensure that this form is returned so as to reach the address below **no later than noon on Thursday 24th January 2008**. Proxy forms should be addressed to the Secretary at the address below:



Notes to the proxy form

- (1) Please print your name and address legibly. If your form cannot be checked against the Dons Trust's membership records because of illegible handwriting, your vote will not be counted.
- (2) If you wish to appoint the Chairman of the meeting (who may or may not be the Chair of the Dons Trust) as your proxy, you may leave this blank. Otherwise, please enter the name of your chosen proxy.
- (3) If you leave a row blank, your vote will be counted as an abstention.
- (4) The resolutions paper notes that the DT Board has resolved that a DT Board member should chair the AGM and should vote proxies in accordance with the Board's recommendations.



OUTCOME OF THE 2007 ELECTIONS TO THE DTB

Five elected members of the current Dons Trust Board completed the maximum 2-year term at the end of 2007: Tom Adam, Bert Dale, Marc Jones, Sandy Lawrence and Erik Samuelson.

Nominations for the five vacancies for elected members were sought in November 2007.

Just 3 valid nominations were received, so there were insufficient candidates for a formal election.

Section 13 of the Election Rules Policy (ERP) applied and the DT members who are not standing for election had to decide what to do about filling the vacant posts. The Election Steering Group noted their majority opinion that one of the three candidates, Erik Samuelson, was prevented whilst he is CEO, from being a member of the DT Board other than as a co-opted member. They invited the DTB to resolve the matter before the results of the nomination/election process are ratified at the AGM.

The DTB reviewed the position at length at its meeting on 3rd December following which the Chairman, David Cox, emailed the Chairman of the Election Steering Group, Stephen Godfrey who replied on 9 December – this exchange of emails is reproduced below.

At the AGM, members will be invited (i) to endorse as elected members the three duly nominated candidates – Tom Adam, Kris Stewart and Erik Samuelson, and (ii) to help make sure we have a successful by election for the two remaining vacancies. The timetable and arrangements for those elections will be announced shortly.

December 2007 exchange of emails

“Dear Stephen

The board of The Dons Trust would like to thank you and your fellow members of the ESG for your work in steering the recent election process and for your report on the outcome of those elections.

At our monthly meeting on Monday 3 December, we considered your report and in particular your points re: Erik Samuelson’s position.

To take the relevant section of the constitution, Rule 72, in parts:

“no Society Board member is to have any material financial interest personally...in any contract or other transaction with the Society”.

Erik does not have a “material financial interest personally” in any contract or other transaction with the Society: the as yet unpaid payment is token and was included in the draft contract solely to meet the requirement for consideration on both sides of a contract in order for it to have legal force. The board can imagine no serious argument to the effect that an arrangement to act as full-time CEO without drawing a salary amounts to having a “material financial interest personally”.

“no Society Board member is to have any material financial interest...as a member of a firm or company or as a director or other officer of a business trading for profit or in any other way whatsoever in any contract or other transaction with the Society”

It seems clear to us that the intention of this clause is to ensure that no external trading relationships be compromised by the position of a member of the board of The Dons Trust. The relationship between The Dons Trust and AFCW PLC is not such an external trading relationship.

However, if we accept that there is a prima facie case for Erik’s position to be considered in the light of this clause, we then look to the beginning of the rule, which states:

“Save for the exceptions referred to below...”

and read exception 72 (f) which states:

“Society Board members may...be appointed as a director or member of any board of management or management committee of any subsidiary company.”



Erik's position as CEO comes about because he has been "appointed as a director or member of any board of management or management committee of any subsidiary company". You will recall that Erik was an elected member of the board of The Dons Trust when he was appointed to this role. The board of The Dons Trust made this appointment taking advantage of the exception referred to in 72 (f). In our commitment to openness, we posted on the OS the very full minutes of the Board's discussion of Erik's appointment. Any reader, and especially these readers, will not find any explicit evidence of any cognizance of the Rules but they will find the Board exercising a duty of care to the Trust so yes we did take advantage of 72(f).

The ESG suggests that Erik's position is one of an employee, and that therefore we should look at 72 (d), which states:

"Society Board members may...if they are co-opted members of the Society Board be employees of the Club."

The further suggestion is that this clause denies the right of anyone who could be classified as an employee of the Club to be an elected member of the board of The Dons Trust.

It seems to us that this clause was originally included in the model constitution to deal with potential conflicts in a situation where a supporters' trust is not in control of the Club. This is not our situation. However, once again we have assumed a prima facie case for considering Erik's position in the light of this clause and have reached the conclusion that this argument fails on two counts:

- 1) As stated above, Erik's position as CEO comes about as a result of being appointed to that position by the board of The Dons Trust in order to manage the affairs of the Club, by way of being "a director or member of any board of management or management committee of any subsidiary company". His "employment" status, which is in itself subject to interpretation, is an administrative device to serve that appointment.
- 2) The exceptions listed in Rule 72 are to be considered independently. Thus if a member's situation meets the requirements of one of the exceptions, the fact that the self-same specific situation may or may not be considered not to meet the requirements of one of the other exceptions is not relevant. For the sake of clarity, 72d does NOT say "and this is the only circumstance under which someone who may be considered an employee of the Club is entitled to be a member of the Society board".

To summarise our position, we are of the unanimous opinion that, considering both the letter and the spirit of the constitution, there is no impediment to Erik's continuing to serve as an elected member of the board of The Dons Trust while remaining in his position as CEO.

Having reached this conclusion, we then considered whether, in light of the ESG's comments, we should ask Erik, upon election, to resign as an elected member, with the intention that the board would co-opt Erik immediately upon his doing so. We would emphasise that Erik was happy to undertake such a course of action should the board be so minded.

The board took into account that this course of action would cause the number of elected members of the board to fall below the minimum required by the constitution, under Rule 64 (b). Allowing such a situation to develop would expose the organisation to considerable risk, and there would be very little practical difference, since Erik would continue as a full member of the board, with full voting rights.

Given the above, and that the board does not accept the reasoning underpinning the suggestion, **the board decided on a majority vote not to ask Erik to resign as an elected member.**

As has been evident from discussion during the Strategy Review so far, there is a genuine issue to be debated and resolved about the proper composition of the board of The Dons Trust now that, following the SROB pilot, it has evolved into an essentially non-executive, strategic and supervisory Board.

In these circumstances, what is the right balance between non-executive and executive members? In his manifesto for this election Erik himself mentioned as an important issue "giving serious consideration to changing the composition of the DT board so that it is a genuinely supervisory board with no members who are executives of the football club". The board believes that this is an important issue which needs to be put to the membership as a whole as part of an overall strategy document, rather than one that could or should be decided by the Board in response to the outcome of the 2007 elections.

As required, we also considered how to fill the vacancies among the elected members of the board. We concluded that, to put it simply, **elected members should be elected, and therefore we have decided to conduct a by-election to fill the two vacancies.** We hope that the ESG will be happy to continue in place to supervise this new election.



This is all a bit formal. But the Board thinks it is important to explain itself fully and carefully when it disagrees with the ESG.

Now we have done so, I hope we can move forward together. Without in any way wanting to intrude on what are properly your responsibilities, I would hope that we could have an informal meeting to discuss the best timetable for the by-election and your thoughts on how we might encourage a higher participation rate this time around.

*Although the Board spent a lot of time on the Rules on Monday, we all thought **that the biggest issue to come out of the elections is how we breathe life into the Trust's democratic base.***

Stephen's reply dated 9 December was as follows:

"David

Thank you for your email that provides detailed explanation of the Board's position. I am sure that the other members of the ESG will welcome your last 2 decisions from your meeting on 3 Dec - to hold a by-election to fill the vacancies on the Board and to take positive action to energise the democratic credentials of the Trust membership. I am certainly happy to assist in the organisation of such an election and the ESG have already discussed how to proceed. This will include providing pre-paid envelopes for returning votes. Once other members of the ESG have confirmed their willingness to proceed, I will discuss arrangements with the Board Secretary.

On Erik's position, I can only re-iterate the position that the ESG agreed some weeks ago - interpretation of the Constitution is not within the scope of the ESG, being left to the Board to interpret it. The ESG has offered advice and now the Board has made a decision on how to proceed. I am delighted that we now have a way forward (or is that a plan for going forward!)

Stephen"