

AFC Wimbledon Consulting Project

Imperial Business School
Consulting Team





Agenda

Club History and Current Situation

Business Challenges & Objectives

Project Methodology

AFC Wimbledon Corporate Governance

Overview of Corporate Governance

Assessment of AFC Wimbledon Governance

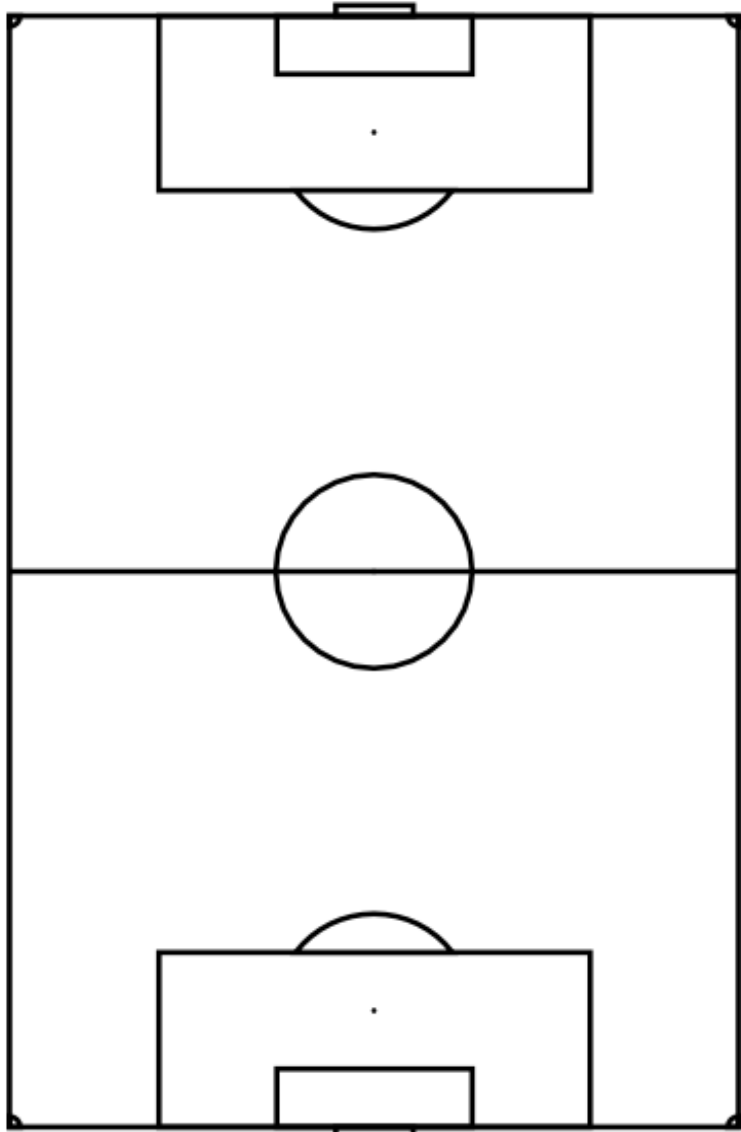
Fan Ownership & Comparable Governance Structures

Recommended Restructuring

Board Responsibilities

Final Considerations & Recommendations

Meet the Line-up



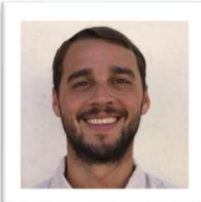
- Jatin Lodhia
- Senior Engineer (7 years) at 2H Offshore Australia
- FFA Level 2 & FA Level 5 Semi-Professional football referee
- Management Consulting and Strategy focused MBA



- Dan O'Connor
- Medical Doctor with 5 years professional experience
- FIFA diploma in football medicine
- Management Consulting and Strategy focused MBA



- Julio Millan
- Operations Consultant (3 years) at KPMG Mexico
- Operations Manager at Uber Eats
- Operations and Strategy Focused MBA



- Sebastien Vidal
- Corporate Banking at Banco de America Central, Guatemala City
- Ex professional tennis player - ATP Tour and Davis Cup
- Management and Strategy focused MBA



- Xabier de Aretxabala
- FX Trader at Santander Corporate & Investment Banking, Chile
- Finance Analyst at Santander Chile Asset & Liabilities Mngmt
- Investment Banking & Structured Derivatives focused MBA

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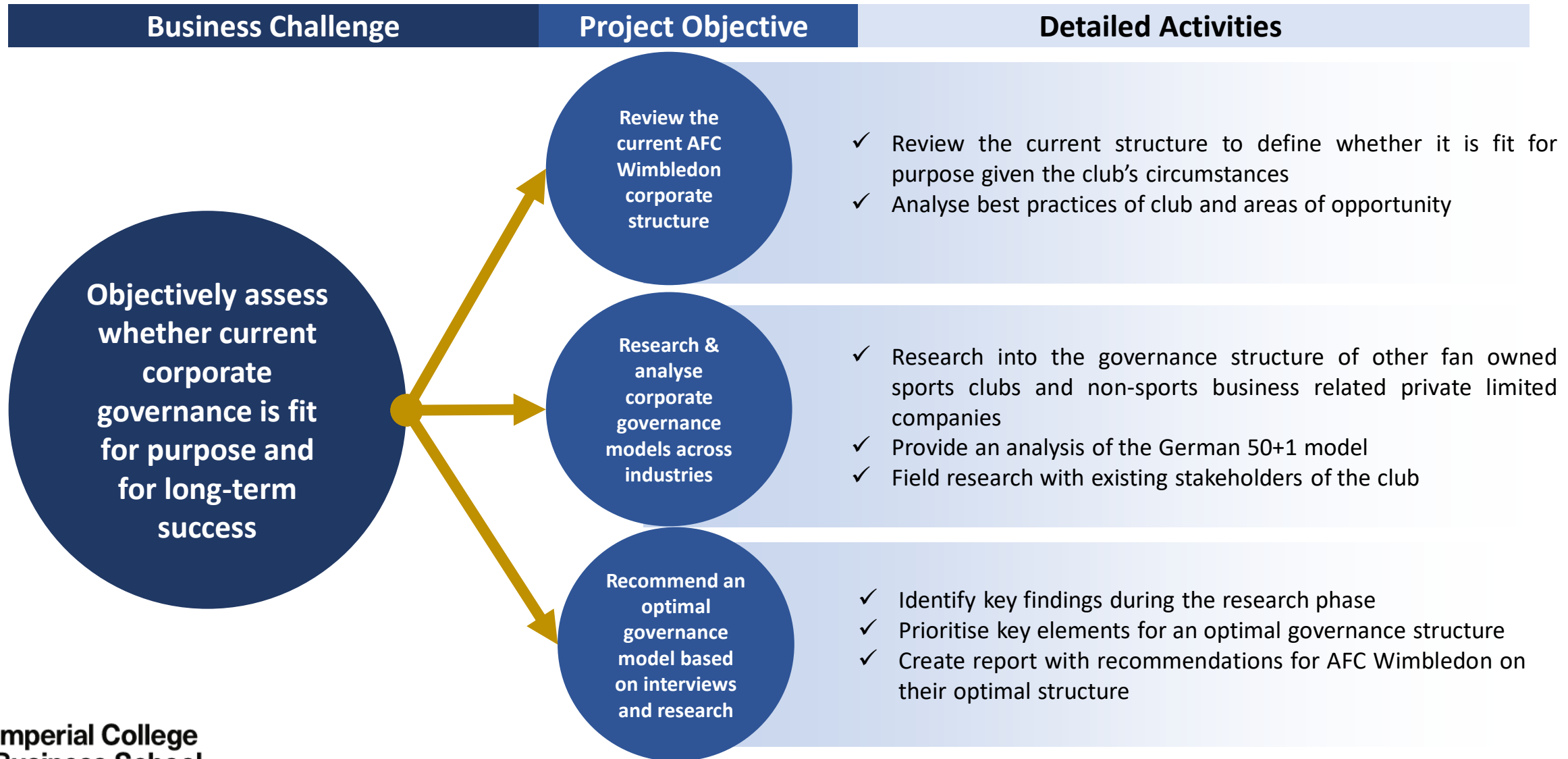
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History and Current Situation

- Established in 2002 and entered 9th tier of English football
 - Have since **gained 6 promotions** and moved from amateur football to League One (3rd tier professional league)
- Fan owned football club since its inception
 - Has primarily been run as a community club rather than a for-profit business organisation
 - Currently **managed by the Dons Trust Board** (DTB)
- In process of expansion
 - Building a new £32M stadium and moving back to Plough Lane
- Concerns on clubs' current Corporate Governance Structure
 - Current structure is not fit for purpose
 - **Lack of professional management** throughout the DTB and rest of organisation
- Management constraints
 - Currently operates with one of the **lowest playing budgets** in all of League One

Business Challenge & Objective



Project Approach and Analysis

What corporate governance and management structure should AFC Wimbledon adopt going forward?

What?	Why?	How?	Methodology
<p>Is current structure fit-for-purpose?</p>	<ul style="list-style-type: none"> Define whether governance structure is fit for future club plans and growth Define current opportunities for the club and if there is clarity on the club's governance 	<ul style="list-style-type: none"> In depth review of current ownership and management structure Interviewed internal and external stakeholders (15) 	<p>Problem statement definition</p> <p>↓</p> <p>Scope definition</p> <p>↓</p> <p>Desk Research</p> <p>↓</p> <p>Interviews and Network Research</p> <p>↓</p> <p>Best Practices and Case Study</p>
<p>What are good Corporate Governance practices?</p>	<ul style="list-style-type: none"> Define how should a football club be governed Define optimal models and recommendations to use as best practices against current governance structure 	<ul style="list-style-type: none"> Study current CGS and define opportunities and good practices Compare current CGS with other similar organisations and with best practice guidelines 	



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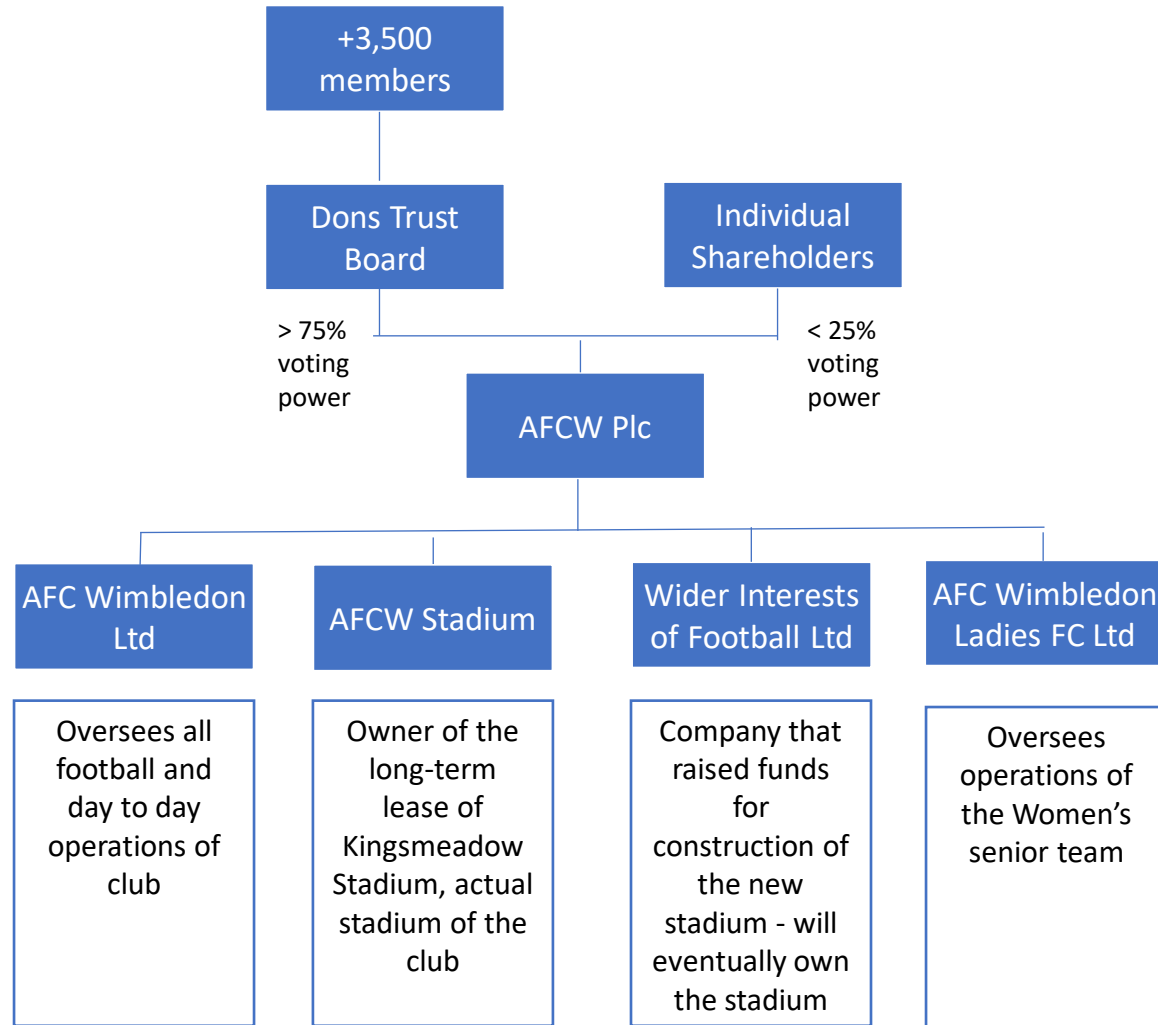
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Current Ownership

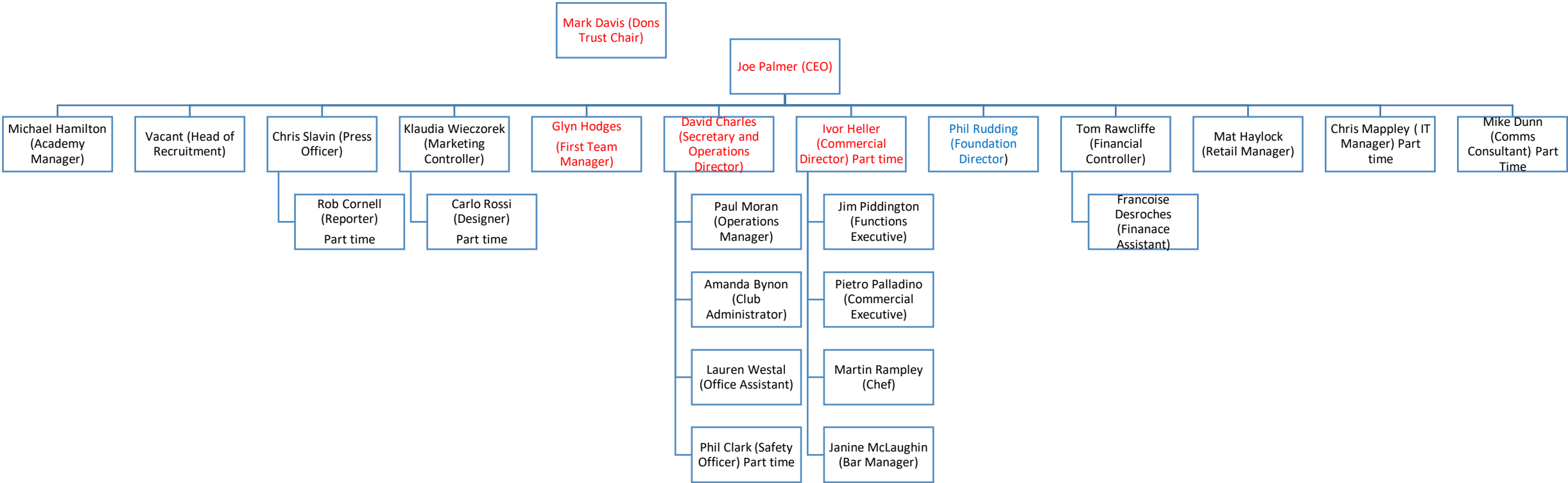


Ownership Structure

- Majority of ownership is held by +3,500 members
- Dons Trust Board (DTB) holds more than 75% of the voting rights of AFCW Plc
- Fan owned business model presents the following challenges and opportunities:
 - Large and diverse ownership model
 - Dedicated and highly involved fan base
 - Is setting a precedence for English football



Current Organisational Structure



Current Management Structure

- Leadership and reporting
 - **CEO reports directly to the DTB** and sits on all 3 mentioned boards
 - Dispersed reporting structure to CEO
- Lack of defined structure from DTB downwards
 - All management **decisions fall under the CEO's** delegation
 - **No delegation of decision-making** power within departments or business units
- Management Staff
 - Comprised of **full-time and part-time** employees
 - Not all possess the **adequate requirements or skills** for their positions
- Budget constraints are prevalent
 - Affect the club's ability to hire experienced and **qualified personnel** for key positions

Current Strategy Review

- Club at a cross-roads between its mid-term and long-term strategy
- **Unclear what future strategy** of the club should be in the next 3-5 years
- Disparity of views regarding:
 1. Long Term **league position** and promotion
 2. Need of a revamp of club's current governance structure
 3. Prospect of **minority external investment**
- Important to focus and **implement a specific strategy** that is aligned with:
 - **Financial solvency** and profitability of the club
 - Fan involvement and adequate communication
 - Decentralised power for key decisions and **clear delegation of responsibilities** from Board and management
 - Adequate **re-organization** of corporate structure with **clear purposes and objectives**

What is Corporate Governance? How & Why?

- Corporate governance is a system by which companies are **directed and controlled** through a **Board of Directors**
- The responsibilities of the board include:
 - Setting the company's **strategic aims**
 - **Provide leadership** and put strategies into effect
 - **Supervising the management** of the business
 - **Reporting to shareholders** on their stewardship
- It is to be distinguished from the day to day operational management of the company by full-time executives (I.e. **Long-term objectives**)
- Good governance helps companies **pre-empt and prevent adverse situations**

Characteristics of a Good Corporate Governance

How to Achieve this?



Criteria	Description	Requirements
Board Structure and Specific Responsibilities	<ul style="list-style-type: none"> - Board and its corporate governance must be aligned with the ownership of the company, its culture, size, and core business - Boards should consider setting up different committees to support the board in performing its actions. 	<ul style="list-style-type: none"> - Responsibilities and tasks must be clearly defined and assigned within the board - When committees are established, their mandate, composition, and working procedures should be well defined and disclosed by the board
Effectiveness	<ul style="list-style-type: none"> - Supervisory managers, members of the board and non-executive managers should have the power, integrity, and resources to fulfil their duties professionally and objectively 	<ul style="list-style-type: none"> - Number of board members must be limited to not be so large as to prevent efficient operation - Board must measure valuable KPI's and ensure the clubs operation is cost effective - There will be a cost in achieving efficient and effective governance but increases in value should offset this
Stakeholder's Roles within the Company	<ul style="list-style-type: none"> - Effective corporate governance must have an established link with all the stakeholders of the company 	<ul style="list-style-type: none"> - Employees – They should be represented on boards or in governance processes such as works councils that consider employee viewpoints in individual vital decisions. - Investors – They are a crucial stakeholder as the terms, volume, and kind of investment extended to firms will depend importantly on their rights and their enforceability.
Disclosure and Transparency	<ul style="list-style-type: none"> - The corporate governance must ensure a formal and transparent board nomination and process 	<ul style="list-style-type: none"> - Information about board members, including their qualifications, the selection process, other company directorships must be clearly disclosed
External Audits and Professional Consultancy	<ul style="list-style-type: none"> - Annual Audits processes are an essential tool for companies and board transparency 	<ul style="list-style-type: none"> - Annual audits should be conducted by an independent and qualified auditor to provide an external and objective assurance to the Board and shareholders. - The presence of an audit committee, which should consist mostly of independent members, should monitor the boards' performance against specific KPIs



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Assessment of Current Governance Structure

- London Stock Exchange guidelines on corporate governance structure presents 12 assessment criteria categories:
 - Structure & Process
 - Responsibility and Accountability
 - Board balance and size
 - Board skills and capabilities
 - Performance and development
 - Information and support
 - Cost-effective and value-added
 - Vision and strategy
 - Risk management and internal control
 - Shareholders' needs and objectives
 - Investor relations and communication
 - Stakeholder and social responsibilities
- Each category is used as a benchmark, analysed and assigned an assessment



Criteria Not Met






Cause for Concern



Criteria Met

Assessment of Current Governance Structure

Criteria	Recommended Best Practice*	Current Position	Assessment
Vision and strategy 	Communicate internally and externally vision and direction of what the company is trying to achieve over time and understand necessary requirements to achieve it	The primary long-term focus of the club has been on its return to Plough Lane	The old vision is outdated, and a new vision has not been projected by the board
Responsibility and Accountability 	<p>Clear definition on where responsibility lies for the management of the company and for the achievement of key tasks.</p> <p>Board is responsible for long-term success of the company and must act accordingly</p>	<p>Unclear where boundaries reside between boards and management team.</p> <p>Blurred lines around decision making between all 3 boards</p>	<p>No guidelines on which decisions need to be taken to DTB and which don't</p> <p>Plc board runs quasi-independent fashion to the DTB and has limited power in decision making process.</p>
Stakeholder and social responsibilities 	Have in place corporate social responsibility (CSR) practices. A proactive CSR policy is an integral part of the company's strategy to help create long-term value and reduce risk for shareholders and other stakeholders.	Proactive CSR within the current structure with good links to the local community	Active engagement through the Wider Interest of Football board, the club's foundations and certain key board individuals



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Fan Ownership – German 50+1 Model

- Origins of the 50+1 rule
 - Traditionally controlled solely by members as “**not-for-profit**” member’s associations (e.V.)
 - Professional era – clubs could **separate professional football club** from the member's association
 - **50+1 rule** – members must hold majority of voting rights, i.e. 50% plus one vote, in the football club
- Two tier governance system
 - **Supervisory board** elected the members at the general assembly to represent member’s interests
 - Appoint and oversee the **club board**
 - **Clear distinction** between management and governance
- Benefits for the club
- Avoid the promotion of **external influences** over the wishes of the members
 - Low ticket prices, sold out stadiums, and **community** initiatives
- The investor perspective
 - Local companies/high net worth individuals – form of **cultural capital**
- Pitfalls
 - **1860 Munich case study**
 - Can disadvantage clubs seeking **external investment** vs. non-fan owned clubs
 - Not bound by **law**

Comparable Governance Structures

We analysed the corporate governance structures of the following sports organisations for good practices and bad practices



Hamburger SV



FC United of Manchester



Exeter City



Brentford FC



Chester FC



Green Bay Packers

During this **comparison*** we analysed 5 different traits and obtained key learnings from each of these governance structures:

- Fan ownership model
- Number of existing boards
- Number of members per board
- Board duration per term
- Special characteristics

These are some of the results obtained:

	Hamburger SV	Exeter City	Brentford FC	Green Bay Packers
% of Fan Ownership	100%	65%	51%	100%

* This comparison is with the 2013 governance structure of the clubs and it is made for comparable purposes only

Comparable Governance Structures

No. and name of existing boards and no. of members per board

Football Club	No of boards	Member per board		
		Trust Board	Club Board	Honorary Board
Hamburger SV	3	12	9	7
Exeter City	2	13	8	NA
Brentford FC	2	12	8	NA
Chester FC	1	12	NA	NA
Fc United of Manchester	1	11	NA	NA
Green Bay Packers	1	7	NA	NA

Board duration per term and Special characteristics on specific club's corporate governance structure

- **Board of directors chosen every 4 years (Hamburger SV)** to ensure board stability and long-term vision. Elections are overlapped every two years (50% elected)
- **Trust board (various)** handles high level strategy, mission, vision, values and auditing tasks
- **Club board (various)** handles day to day operations
- **Honorary board (Hamburger SV)** acts as a middle-man between Trust board and Club board
- **All boards review strategy and budget** each quarter to give proper direction to the club
- **“One member one vote” rule (various)** to avoid power imbalance and to avoid instability among club owners

Comparable Governance Structures



Key points and recommendations to highlight during governance structure comparison

2

Boards to have a streamlined, efficient organisation. Clubs that have 1 board are currently in the non-professional football leagues while clubs in similar position as AFC Wimbledon have 2



- Club boards to focus mainly on the operational (football) side of the business
- Trust boards handle the strategy, mission, vision, values and auditing functions of the club



Have an odd number of board members in order to avoid ties during decisions, such as Exeter City and FC United of Manchester



Have appointed Trust directors embedded on the Club board to ensure that it is aligned with the established mission, vision, values and strategy of the organization, such as Exeter City (2) and Brentford (1)



- **Have non-executive directors**, such as Chester FC (3) and GB Packers (7) to obtain specific expertise
- Chosen due to their skillset by the board and do not have to pass through a formal election process

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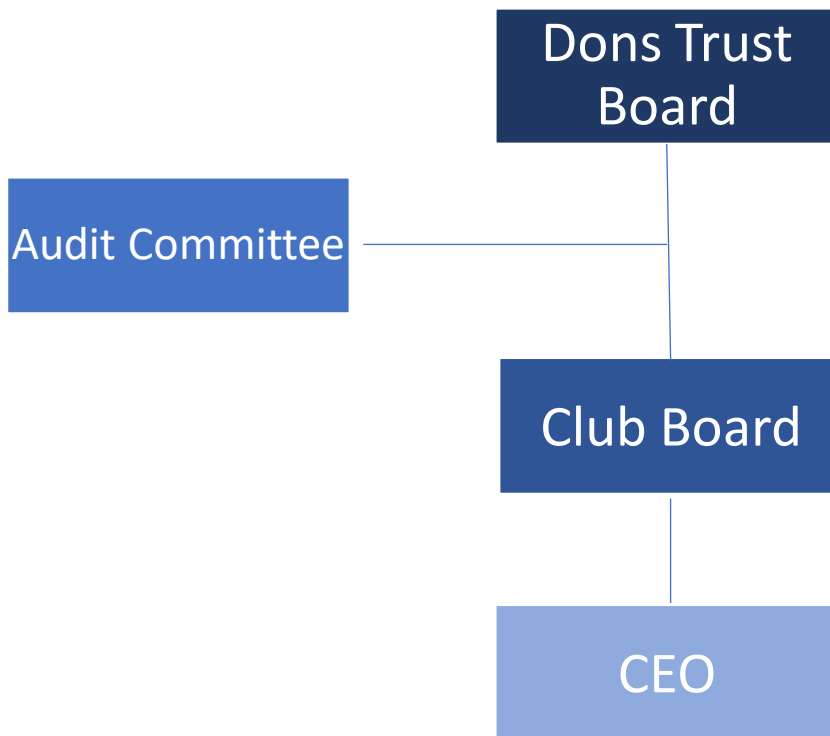
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Proposed Governance Restructuring



	Composition	Functions
Dons Trust Board	<ul style="list-style-type: none"> • Same number of members (9) • Elected chairman • Keep current diversity on the board 	Oversight role within organization on: <ul style="list-style-type: none"> • Vision, Mission and Ownership • Community development and outreach • Memberships and fan relations • Veto decision on overall budget, ticketing and stadium decisions
Club Board	9 members in total <ul style="list-style-type: none"> • Equal majority DTB members (3) • Individual shareholders represented (1) • NED's (chairman included) (3) • Executive Directors (2) (CEO + member of management team) 	<ul style="list-style-type: none"> • Oversight on operations • Define & implement club strategy • Make all football club related decisions • Manage commercial relationships
Audit Committee	<ul style="list-style-type: none"> • Committee of independent NEDs • Chairman cannot be member of Club Board • Minimum three (3) members • Minimum one (1) member possesses recent and relevant financial experience 	<ul style="list-style-type: none"> • Monitoring the integrity of the financial statements • Reviewing the company's internal financial controls and control and risk management systems • Reviewing the effectiveness of the external audit process

Decision Making Responsibilities



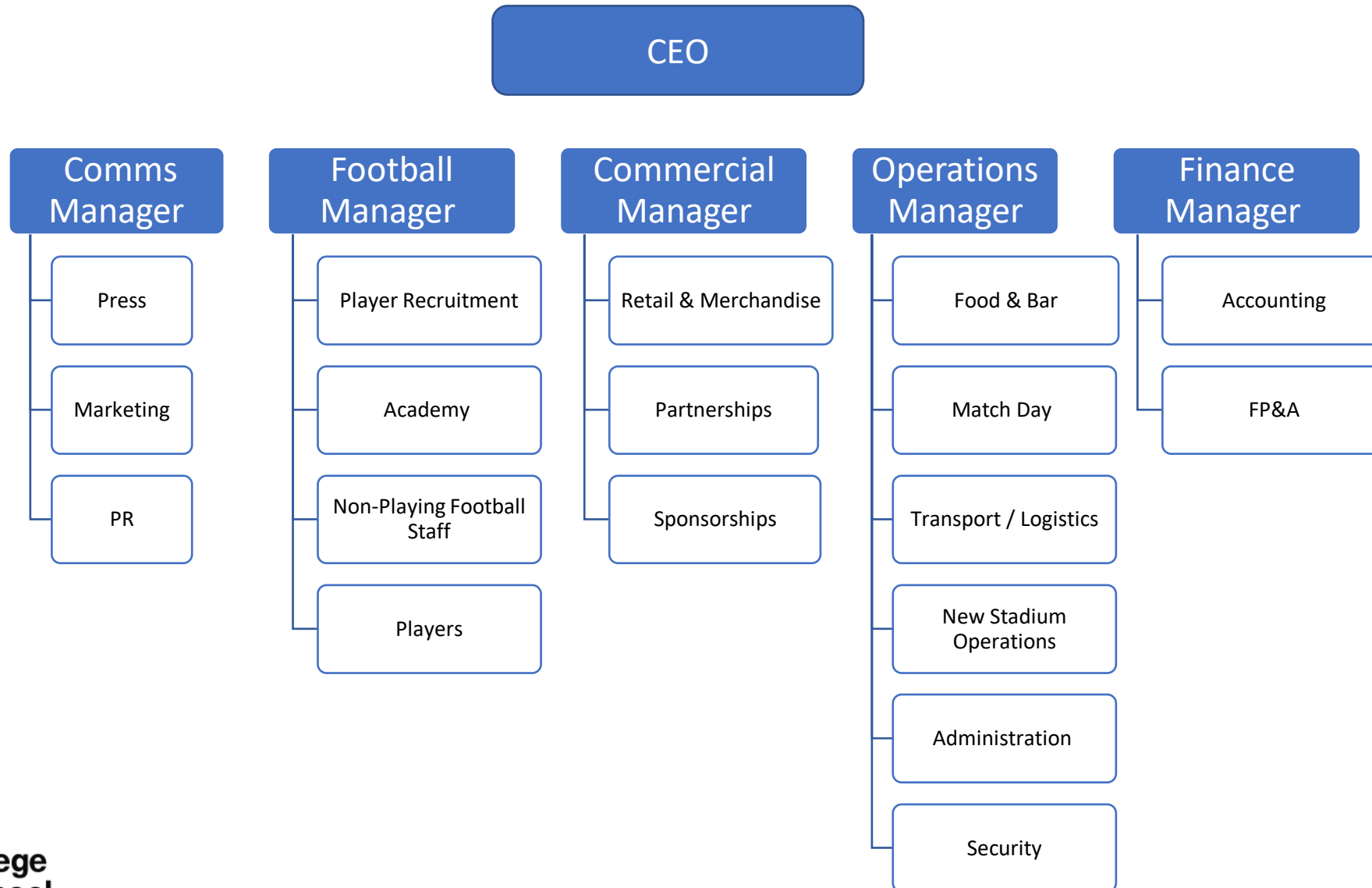
- DTB have **veto power** over:
 - Playing budget
 - Stadium ownership
 - Ticket pricing
 - Club's brand, image or reputation
- DTB have **autonomy to self select** members for Club Board
- **Independent Chairman** of the Club Board is **elected by the DTB**
- Chairman will then be responsible of appointing the other 2 NED's

Benefits of Governance Restructuring



- Short Term Benefits:
 - Clear **definition of boundaries** for decision making
 - Increased **efficiency and less bureaucracy**
 - **Accountability in decisions** that are made by members on each board
- Long term benefits:
 - Effectively **implement sustainable strategy** decided upon by the board
 - **Essence** of AFC Wimbledon is **protected**, and **principles maintained**

Ideal Long-Term Management Structure



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Risks, Costs and Considerations

- Costs and Risks:
 - Per Diem **costs might increase** due to additional NED's
 - Professional requirements require **higher salary offerings** – but **value outweighs cost**
 - Proposing and Implementing major changes is a difficult challenge – must be shown as **best interest of the club**
- Considerations:
 - Timeline for **phased implementation**
 - Governance restructuring **by 2021-22 season**
 - Management restructuring is **long-term ideal plan**

Final Recommendations

Strategic Planning

- **Define medium- and long-term goals** for the organisation
- Lay out a **strategic and clear road map** to enable management to achieve each goal

Professional Enhancement

- Enhance the club board and management team with **skilled professionals in key positions**
- **Include NED positions and external directors** on Club Board

Organisational Restructuring

- Transition **DTB to an oversight role** and empower **Club Board with a definitive strategic operational role**
- Surround CEO with a team of area managers to enable him to focus on strategic decisions

Decentralised Power

- Implement a **clear and decentralised decision matrix** throughout organisation
- **Empower area directors** by delegating certain decisions from CEO



Thank You!



Appendices

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Appendix A

Project Proposal

AFC Wimbledon

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Appendix A – Project Proposal

Create a report highlighting **recommendations** to AFC Wimbledon for the organization to **implement and create an optimal corporate governance structure** that can sustain **long term growth** of the club



Appendix B

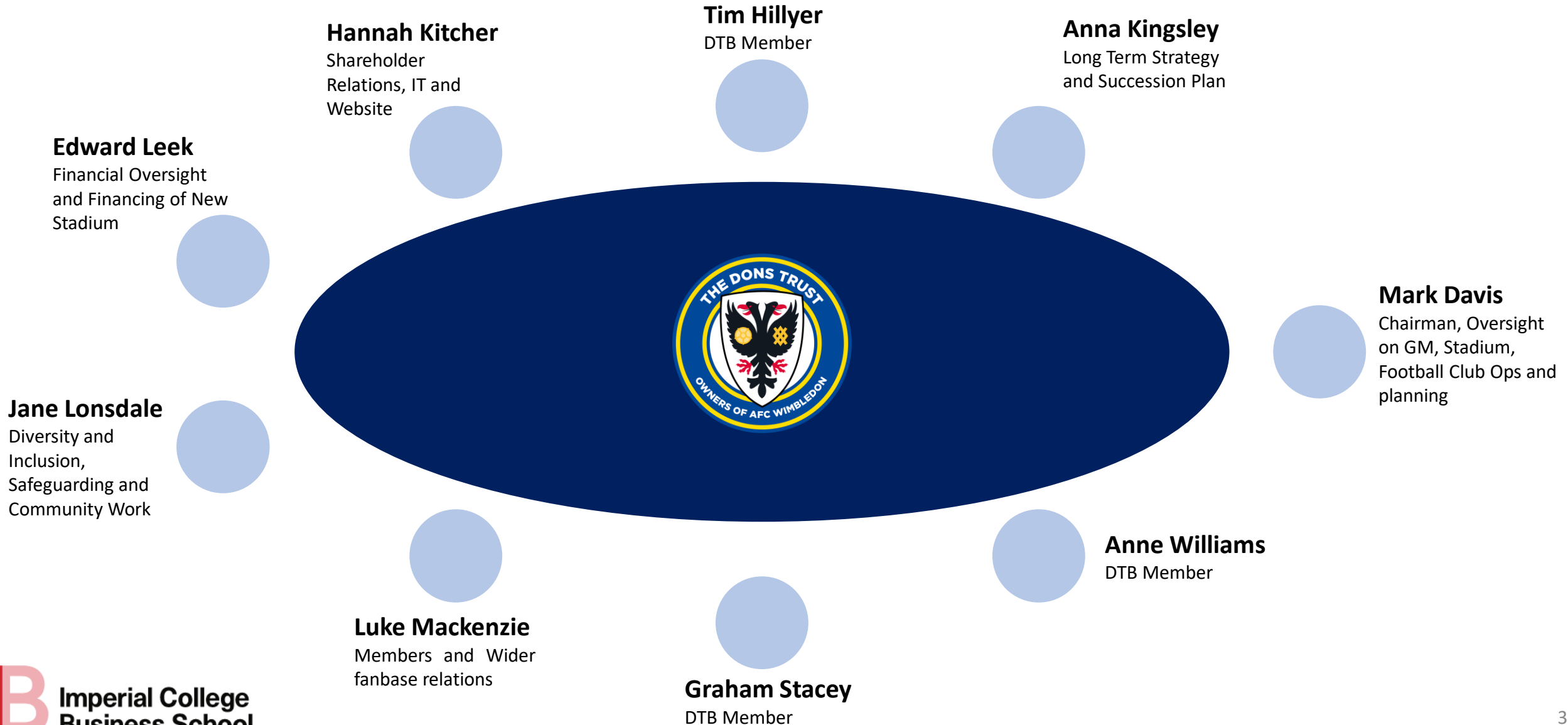
Composition of Dons Trust Board

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Appendix B – Composition of Dons Trust Board



Appendix B – Composition of Dons Trust Board (list)

Name	Responsibility
Mark Davis	Chairman, Oversight on GM, Stadium, Football Club Ops and planning
Jane Lonsdale	Vice Chair, Diversity and Inclusion, Safeguarding and Community Work
Anna Kingsley	Long Term Strategy and Succession Plan
Hannah Kitcher	Shareholder Relations, IT and Website
Edward Leek	Financial Oversight and Financing of New Stadium
Luke Mackenzie	Members and Wider fanbase relations
Tim Hillyer	DTB Member
Graham Stacey	DTB Member
Anne Williams	DTB Member

Appendix C

List of Interviewees

AFC Wimbledon

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Appendix C – List of Interviewees

No.	Name	Description
1	Mark Davis	Chairman of Dons Trust Board
2	Jane Lonsdale	Vice Chair of Dons Trust Board
3	David Barnard	Chelsea FC Director of Football Operations & Former Chair of Wimbledon FC board
4	Peter Miller	Former Wimbledon FC board member
5	Damian Woodward	Founding member of Dons Trust & Independent Advisor
6	Graeme Price	Independent Advisor
7	Graham Stacey	Dons Trust Board Member
8	Glyn Hodges	AFC Wimbledon Football Manager
9	Ivor Heller	Founding member of Dons Trust and current Commercial Director
10	Joe Palmer	AFC Wimbledon CEO
11	Iain McNay	AFC Wimbledon Plc Member & Sponsor
12	Nick Robertson	Individual Shareholder
13	Tom Rawcliffe	AFC Wimbledon Financial Controller
14	Edward Leek	Dons Trust Board Member
15	Dave Boyle	Founding member of Dons Trust & former chair of Dons Trust Board

Appendix D

Full AFC Wimbledon Governance Assessment

AFC Wimbledon

Consulting Project



Appendix D – Full Governance Assessment

- London Stock Exchange guidelines on corporate governance structure presents 12 assessment criteria categories:
 - Structure & Process
 - Responsibility and Accountability
 - Board balance and size
 - Board skills and capabilities
 - Performance and development
 - Information and support
 - Cost-effective and value-added
 - Vision and strategy
 - Risk management and internal control
 - Shareholders' needs and objectives
 - Investor relations and communication
 - Stakeholder and social responsibilities
- Each category is used as a benchmark, analysed and assigned an assessment



Criteria Not Met



Cause for Concern





Criteria Met




Appendix D – Full Governance Assessment

Criteria	Recommended Best Practice*	Current Position	Assessment
Structure and Process ✘	A company should put in place the most appropriate governance methods, based on its corporate culture, size and business complexity. There should be clarity on how it intends to fulfil its objectives, and, as the company evolves, so should its governance	Lack of clarity on how DTB, AFCW Plc and Football boards interact between each other and fulfill their own objectives	The structure of boards has not evolved since its founding. It is unclear who oversees strategy, external relations and day-to-day operations
Responsibility and Accountability ✘	It should be clear where responsibility lies for the management of the company and for the achievement of key tasks. The board has a collective responsibility for the long-term success of the company, and the roles of the chairman and the chief executive should not be exercised by the same individual	Unclear where responsibilities lie and end between boards and management team	Plc board runs quasi-independent fashion to the DTB and has limited power in decision making process. CEO makes all decisions, has no delegation of power
Board balance and size ⚠	The board must not be so large as to prevent efficient operation. A company should have at least two independent non-executive directors and the board should not be dominated by one person or a group of people	Variety of shareholder interest groups are represented on DTB	DTB board has adequate size. Ineffective running of other boards parallel to DTB. No participation of external and independent members (NEDs)



Appendix D – Full Governance Assessment

Criteria	Recommended Best Practice*	Current Position	Assessment
Board skills and capabilities 	The board must have an appropriate balance of functional and sector skills and experience in order to make the key decisions expected of it and to plan for the future. The board should be supported by committees that have the necessary character, skills and knowledge to discharge their duties and responsibilities effectively	No business experience or professional skills required for positions on DTB	Certain key positions within DTB are co-opted with skilled individuals due to the lack of business acumen in other positions
Performance and development 	The board should periodically review its performance, its committees' performance and that of individual board members. This review should lead to updates of induction evaluation and succession plans. Ineffective directors (both ED & NED) must be identified and either helped to become effective or replaced. The board should ensure that it has the skills and experience it needs for its present and future business needs. Membership of the board should be periodically refreshed	Membership of DTB is periodically reviewed however there is no audit committee or assessment process that critically analyses director performance. There is also no succession plan currently in place	Whilst the board is periodically refreshed the lack of an internal audit function falls short of the best practice. It is not possible to identify or help ineffective directors on the board. A succession plan is also required to mitigate unforeseen departures.

Appendix D – Full Governance Assessment

Criteria	Recommended Best Practice*	Current Position	Assessment
Information and support 	The whole board, and its committees, should be provided with the best possible information (accurate, sufficient, timely and clear) so that they can constructively challenge recommendations to them before making their decisions. NEDs should be provided with access to external advice when necessary	Good quality information is provided however may not be presented to all the relevant stakeholders and board meetings regularly last over 4 hours	All stakeholders need to be provided information with meetings being held in a timely and efficient manner to allow for effective decision making
Cost-effective and value-added 	There will be a cost in achieving efficient and effective governance, but this should be offset by increases in value. There should be a clear understanding between boards and shareholders of how this value has been added. This will normally involve the publication of KPIs, which align with strategy, and feedback through regular meetings between shareholders and directors	Unclear understanding between boards and shareholders on whether value has been added or not.	Introduce key performance indicators in all areas that align with club's mid and long-term strategy and goals
Vision and strategy 	There should be a shared vision of what the company is trying to achieve and over what period, as well as an understanding of what is required to achieve it. This vision and direction must be well communicated, both internally and externally	The primary long-term focus of the club has been on its return to Plough Lane	The old vision is outdated, and a new vision has not been projected by the board

Appendix D – Full Governance Assessment

Criteria	Recommended Best Practice*	Current Position	Assessment
Risk management and internal control 	The board is responsible for maintaining a sound system of risk management and internal control. It should define and communicate the company's risk appetite, and how it manages the key risks, while maintaining an appropriate balance between risk management and entrepreneurship	A dialogue exists between shareholders and the board that enables the board to understand their shareholders' needs and objectives and their views on the company's performance.	Vested interests appear to be leaking through to the governance structure thus affecting the decision-making process. Fans should be consulted on a regular basis on important decisions previously discussed by corresponding committees or boards
Shareholders' needs and objectives 	A dialogue should exist between shareholders and the board so that the board understands shareholders' needs and objectives and their views on the company's performance. Vested interests should not be able to act in a manner contrary to the common good of all shareholders	A dialogue exists between shareholders and the board that enables the board to understand their shareholders' needs and objectives and their views on the company's performance.	Vested interests appear to be leaking through to the governance structure thus affecting the decision-making process. Fans should be consulted on a regular basis on important decisions previously discussed by corresponding committees or boards

Appendix C – Full Governance Assessment

Criteria	Recommended Best Practice*	Current Position	Assessment
Investor relations and communication ✓	A communication and reporting framework should exist between the board and all shareholders such that the shareholders' views are communicated to the board, and shareholders in turn understand the unique circumstances of, and any constraints on, the company	A communication and reporting framework exist between the board and all shareholders such that the shareholders' views are communicated to the board, and shareholders in turn understand the unique circumstances of, and any constraints on, the company	Dons Trust website presents all historical AGM and SGM minutes dating to May 2004. Certain DTB members are represented between shareholders and Board
Stakeholder and social responsibilities ✓	Good governance includes a response to the demands of corporate social responsibility (CSR). This will require the management of social and environmental opportunities and risks. A proactive CSR policy, as an integral part of the company's strategy, can help create long-term value and reduce risk for shareholders and other stakeholders.	Proactive CSR within the current structure with good links to the local community to create long-term value	Active engagement through the Wider Interest of Football board and certain key board individuals

Appendix E

Club History and Current Situation

AFC Wimbledon

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Appendix E – Club History

- Established in 2002, after local fans of Wimbledon FC banded together to protest after the owner at the time relocated the club 50 miles away to Milton Keynes
- Fan ownership has always been at the core of the organization as it leaves fans in charge and protects them from what happened in the past
- The club is currently majority owned by over 3,000 fans through the Dons Trust Board
- Entered the 9th tier of English Football for their maiden season in 2002-03 and have since gained 6 promotions through English football ranks -moving from non-professional football to League One (English football's 3rd tier)
- In the very early days, the club's large fan base allowed them to raise considerably more money than their semi-professional counterparts, helping them to move quickly through the ranks
- Has primarily been run as a community club rather than a for-profit business organization
- Current CGS enabled the club to go through the semi-professional ranks but hasn't evolved since and adapted to current needs

Appendix E – Current Situation

- Overall governance is exercised by the Dons Trust Board (DTB) which is a voluntary organisation made up of fans and oversees all the clubs' operations
- Historically the Chairman has been very much the decision maker at the club
- Club is currently in process of expansion by building a new £32M stadium and moving back to its original ground in Plough Lane – a major goal set since the founding of the club 18 years ago. It is viewed as a milestone moment – huge achievement with no small amount of symbolism
- Beyond construction of the new stadium (Sept. 2020) there is a lack of a clear mid and long-term strategy within the club to align management goals and strategic decisions going forward
- There are concerns that the clubs' corporate governance structure is not fit for purpose – there is a lack of professional management within the Board and throughout the organization as most staff members have no professional experience or are part-time volunteers
- Client concerned that decision making within the club has become cumbersome and inefficient – Board meetings have lost their meaning, do not fulfil their purpose and are not attractive for members and shareholders to attend
- Currently operates with one of the lowest playing budgets in all of League One making it hard to stay competitive – the club has narrowly avoided relegation the past two seasons

Appendix E – Current Board Structure & Process

- There are currently 3 main boards throughout organization: Dons Trust Board, AFCW plc Board and Football Club Board
- DTB is overarching governing board and directly reports to shareholders
- DTB has the final vote on all decisions within the club and interaction is limited with other boards
- DTB board is currently comprised of 9 members with a maximum of 12 allowed – (Appendix 1 for current composition)
 - Disparity of interests between different board members
 - Up to 3 positions may be co-opted by the board
- All positions on DTB are open to any member who wishes to run for election
 - No specific skills or business requirements needed to sit on DTB
 - Members are elected for a 2-year period – elections are held every year with half of the positions open for re-election
- AFCW Plc Board has been dormant in the past – only just reactivated due to fund raising for new stadium
 - Main purpose is to serve as an advisory board, but all decisions are eventually made by DTB
 - AFCW Plc is comprised of more experienced business-oriented people
- Football Club Board oversees the operations of the football club and is led by CEO and comprised of finance and commercial directors

Appendix F

Characteristics of Good Corporate Governance

AFC Wimbledon

Consulting Project



Appendix F – Characteristics of a Good Corporate Governance How to Achieve this?



• Board Structure and Specific Responsibilities



- The structure of a board and its corporate governance must be aligned with the ownership of the company, corporate's culture, size, and its core business.
 - Therefore, for the interest of the board and the company, all responsibilities for the achievement of critical tasks within the board must be clearly **defined and assigned**
- Boards should consider setting up different committees to support the board in performing its actions.
 - When committees are established, their mandate, composition, and working procedures should be well defined and disclosed by the board

• Effectiveness



- Supervisory managers, members of the board and non-executive managers should have the power, integrity, and resources to fulfil their duties professionally and objectively
 - Boards member's number must be limited to not be so large as to prevent efficient operation.
 - Boards provide value-added whilst being cost effective
 - There will be a cost in achieving efficient and effective governance but increases in value should offset this

Appendix F – Characteristics of a Good Corporate Governance How to Achieve this?



• Stakeholder's Roles within the Company

- Effective corporate governance must have an established link with all the stakeholders of the company. The corporate governance plays a vital role in terms of creating wealth, jobs, and sustainability for all of them
 - Employees – They should be represented on boards or in governance processes such as works councils that consider employee viewpoints in individual vital decisions
 - Creditors – They are a crucial stakeholder as the terms, volume, and type of credit extended to firms will depend importantly on their rights and their enforceability.



• Disclosure and Transparency

- The corporate governance must ensure a formal and transparent board nomination and process
 - Information about board members, including their qualifications, the selection process, other company directorships, and whether they are regarded as independent by the board



• External Audits and Professional Consultancy

- Annual Audits processes are an essential tool for companies and board transparency
 - Annual audits should be conducted by an independent, competent, and qualified auditor to provide an external and objective assurance to the Board and shareholders.
 - The presence of an audit committee, which should consist mostly of independent members that should provide an essential function in monitoring the boards' performance against specific key performance indicators and report back to investors.

Appendix F – Board Positions and Responsibilities

Executive Director

- Report directly to the Board
- Responsible for carrying out the Board's decisions and strategy
- In charge of the company's day to day operations
- Tasked with the creation of Business Plan
- Oversee management and head of departments
- Serve as the face and public spokesperson for the organization

Non-Executive Director

- Provide an **independent** view of the company that is removed from the day-to-day operation
- Focus on board matters and not stray into executive direction
- Propose strategic directions and policymaking
- Determining appropriate levels of remuneration and expenses
- Help connect the business and board with networks of potentially beneficial people and organisations

Chairman

- Run and conduct board meetings
- Provide leadership to the board
- Oversee the strategy implementation
- Take responsibility for the board's composition and development
- Ensure proper information is presented to the board
- Effective and clear communication to all levels of the organization
- Be accessible to the CEO and executive team for support and counsel

Audit Committee

- Monitor the integrity of the financial statements and all formal announcements relating to the company's financial performance
- Review the company's internal financial controls and risk management systems
- Select an external auditor and review performance
- Receive and analyse audit results