

## **Paper 2 – SGM Resolution to complete the governance changes to the Dons Trust Constitution:**

### ***The Dons Trust Board recommends members vote in favour***

#### **Background**

When we put the various resolutions that were voted on at our meeting in December, we told members that we would need to come back to you to make some changes to Schedule 1 in our rules, which contains the **Restricted Actions** - in the same way that we updated the PLC rules in December. So we're now asking members to vote on those changes, in the run-up to our next members' meeting on Sunday 30 April at our home in Plough Lane - from 4:30pm to 6pm.

Members added the **Restricted Actions** to our rules some years ago, to ensure that no really big decisions about the most important parts of our football club can be made without very strong support from the vast majority of members. There are different categories of **Restricted Action**, from **A** being for the most significant changes needing the strongest member support, through to **E** for more minor issues which can safely be left to the DT board to decide. The changes we're proposing count as **category B**, and that's explained below.

Many of you will recall that as part of our return Plough Lane, we undertook the "Back in Two Ticks" campaign. That was because we needed that very strong approval from members to sell Kingsmeadow. The vote was in late 2015 - over seven years ago. We have not had a vote of this kind since. And that's what you'd expect - it's about exceptional circumstances which come around rarely.

But we need to keep these things up to date. So having got approval to sell Kingsmeadow, and having built and moved into our fantastic new stadium on Plough Lane, we now need to make some updates so that members' protections relate properly to our new situation.

We don't think there's anything controversial in these changes, and members have already approved them as updates to the AFCW PLC rules (the "Articles"), back in December. To add to or amend our **Restricted Actions** counts as a **category B** action, which requires:

- at least 50% of total eligible membership cast a vote on the resolution;
- at least 75% of the votes are cast in favour of the resolution;
- the number of votes cast in favour of the resolution represents at least 40% of the total eligible membership

That means we need around 1,800 members to vote, with around 1,450 voting in favour, to approve these changes. That's a lot, and we really need your help in getting to those targets. Please make sure you vote, and please encourage other members you know to vote. We've opened this voting early, with six weeks to go before the meeting, and made it as simple as we know how to vote. We've tried to explain things clearly and straightforwardly, but if there's anything else you'd like to know before voting, just drop a line to [chair@thedonstrust.org](mailto:chair@thedonstrust.org) and you'll get an answer.

We will keep you updated on voting numbers as we get towards the members' meeting on Sunday 30 April.

We are leaving some **Restricted Actions** untouched. One, which related only to the original setting up of restricted actions, is being removed (that's number 10 on the next page). And some are being added. The following page shows the revised **Restricted Actions** table, and says what's changing.

Page 3 shows the additions we made to the rules to ensure that some issues, while not quite at the level of the restricted actions themselves, do still need approval from the Dons Trust. Again, we

voted to include these in the AFCW PLC rules in December, and so this will bring both sets of rules in

No.	Updated action	Change	Status
1	Any action that results in the Society's voting capacity in AFCW plc falling below 75% +1 share	No change	A
2a	Sale of any freehold interest in Plough Lane	Updated to cover Plough Lane	A
2b	Any ground relocation from Plough Lane	New	A
2c	Creation of any new leasehold interest in Plough Lane	New	A
3	Any issue of new shares in AFCW plc, or transfer of existing Society shares in AFCW plc, to 3rd parties	No change	B
4a	Any alteration in the ownership or corporate status of any subsidiary company that increases the influence of 3rd parties over any of those companies vis-à-vis the Society	Updated to cover any subsidiary	A
4b	Setting up any new subsidiary company that is not 75% +1 share owned by AFCW plc	New	A
5	Creating any agreement in respect of Plough Lane to leave the club having less favourable terms in respect of length of tenure, rights or rents paid	Updated to cover Plough Lane	B
6a	Name of the Club including nickname, or its status with the FA	Updated to add "nickname"	A
6b	The primary colours of the Club (yellow and blue)	New	D
6c	The Club and associated subsidiary badges and crests	New	D
7	Amending Rule 22 of the Society's Rules	No change	A
8	Reclassification of the status designation of a Restricted Action	No change	A-D*
9	Addition of items to the list of Restricted Actions	Removed reference to 2008 meeting	B
10	Deleted	Deleted as no longer relevant	D
New 10	Borrowing against the security of the freehold at Plough Lane	Updated to cover Plough Lane & number	D
New 11	Revoking this schedule	No change except to number	A
New 12	Amending this schedule, other than as outlined in sections 7-9	Updated to reflect new numbering	B
New 13	Amending this schedule, other than as outlined in sections 7-9, 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	Updated to reflect new numbering	A

line.

#### **Proposed updated schedule of Restricted Actions**

\* Status is defined by the existing status of the relevant action

## The rest of the changes

Paragraph 3 of Schedule 1 currently reads:

### *Non-Restricted actions*

*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;*

To reflect the changes agreed at the members' meeting in December, we propose adding the following:

*iii) In accordance with the Memorandum of Understanding between AFCW plc and the Society the following matters can be discussed by AFCW plc but any decision must then be approved by the Society Board:*

- *Agreeing a groundshare to leave the club not having less favourable terms in respect of length of tenure, rights or rents paid (that is, any groundshare not covered by Restricted Action 5)*
- *Engaging in commercial activity with an organisation or industry that might directly hinder performance, image, brand, or reputation of the Club*
- *Changing the Club charter*
- *Annual budget for the Club*
- *Significant investment decisions (e.g. capital expenditure) over 7.5% of the previous year's turnover in the AFCW plc accounts*
- *One-off revenue windfalls (e.g. player sales, cup prize money) over 7.5% of the previous year's turnover in the AFCW plc accounts*
- *General price rises of greater than inflation (e.g. tickets, merchandise, food and beverage)*
- *Extension of the Club's activities into significant new business areas and any decision to cease to operate all or any significant part of the Club's business*