

## Paper 4 – Background to the changes:

Two months ago, in the lead-up to the most recent members' meeting, the Dons Trust board (DTb) shared some proposals for changes to how we work and who does what.

We explained why we felt changes were needed and why now is the right time:

<https://thedonstrust.org/files/Paper-1-DTb-Intro-to-SGM-Structure-Proposals.pdf>

And we gave an overview of the changes we think are needed:

<https://thedonstrust.org/files/Oversight-and-ops-November-2022.pdf>

We had a good discussion on these proposals at the members' meeting on 13 October. We ran a quick "temperature test" survey after the meeting, in which around two-thirds of those responding said they were happy with the proposals, with 15% wanting more info (leaving 5% who didn't like the changes suggested). We also got some interesting comments as part of that survey, which we read.

We then ran a couple of Zoom discussions with members and a face-to-face session in the Phoenix at our stadium. We published an "FAQ" with questions and comments we'd had and our responses to them. And we ran a quickfire survey on some issues which came up, on board term lengths and limits and on the question of how independent any experts we might recruit to the PLC board should be.

The responses to the quickfire survey were interesting – again we got a lot of comments, which we read. And in terms of the questions asked:

- two-thirds supported increasing DTb term lengths from two years to three
- opinion was split around 60-40 in favour of a limit of three consecutive terms on either board
- on independence, around 70% said it is important in some way, with that many saying any experts we might recruit to the PLC board should not have any business links with club employees, directors, advisers or other board members, while 84% said they would be happy for an expert to be a Wimbledon fan.

We had feedback that the proposed memorandum of understanding needs to be very clear, and changes need to be made not just to the DT's rules but also the PLC's rules. We've done that. We got feedback that the way the DTb "veto" on the PLC board works needed more detail. We've done that.

Some members have said these changes will leave the DTb still too involved in the club's operations, while others that the DTb will be too far away from club decisions. That doesn't prove that the right answer is somewhere in the middle, but we hope it does explain why we can't simply amend our proposals to fit the feedback.

The detailed changes we're now proposing are the result of all of the above. We think they will help us to push forward on our objectives and keep our club safe. We hope you agree and will join us in keeping a close eye on how they work over coming weeks and months. It's important we all play our part in ensuring effective DT oversight of our club.

And we know we have more to do. We need to make the changes to the Restricted Actions in the DT rules, in the same way that we are updating the PLC rules. The detail on the Restricted Actions changes is set out in Appendix 1 below. To pass them, we'll need at least 1,800 members to vote, and at least 1,400 to vote in favour. That will take another members' meeting, and we'll be running a campaign on that as soon as we can in the new year.

At the same time, we'll be starting (as promised) to talk to members about what options there might be to make more equity available and what additional safeguards or governance provisions we might need to accompany any such change.

While this part of the process started only a couple of months ago, these changes are the result of a great deal of thought and reflection. We had the Imperial College report in 2020, the governance changes announced by the DT board in June 2021 and we have engaged since then with other experts and friends in football as well as with members to bring these proposals to you. We hope you will vote in favour of our changes, in person if you can attend or by completing a proxy form if not.

Thanks

*Appendix 1 below is the Restricted Actions plan for next year, and appendix 2 is an explanation of how the change to DT board term lengths would work out over the next few years.*

## Appendix 1 - Changes to Restricted Actions in the Dons Trust Constitution which will be brought to Members in 2023

To add to or amend our Restricted Actions counts as a status B action, which requires:

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

### **Schedule 1 amendments**

The current Dons Trust constitution states in Schedule 1:

#### **2 Restricted Actions**

Action	Status
Any action that results in the Society's voting capacity in AFCW plc falling below 75% +1 share	A
Sale or reassignment of any of the leases at Kingsmeadow in favour of outside parties	A
Any issue of new shares in AFCW plc, or transfer of existing Society shares in AFCW plc, to 3rd parties	B
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	A
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	B
Name of the Club, or its status with the FA	A
Amending Rule 22 of the Society's Rules	A
Reclassification of the status designation of a Restricted Action	As per the existing status of that Action
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.	B
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	D
Borrowing against the security of the leases at Kingsmeadow	D
Revoking this schedule	A
Amending this schedule, other than as outlined in sections 6-8	B
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	A

#### **3. Non-Restricted actions**

- For the purposes of this Schedule, investigating opportunities to undertake Restricted Actions are not Restricted Actions in themselves provided that:
  - 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;

**The Dons Trust Board recommends that Schedule 1 of the Constitution be amended as follows to:**

## 2 Restricted Actions

Action	Status
Any action that results in the Society's voting capacity in AFCW plc falling below 75% +1 share	A
Sale of any freehold interest in <b>Plough Lane</b>	A
<b>Any ground relocation from Plough Lane</b>	<b>A</b>
<b>Creation of any new leasehold interest in Plough Lane</b>	<b>A</b>
Any issue of new shares in AFCW plc, or transfer of existing Society shares in AFCW plc, to 3rd parties	B
Any alteration in the ownership or corporate status of <b>any subsidiary company</b> that increases the influence of 3rd parties over <b>any</b> of those companies vis-à-vis the Society	A
<b>Setting up any new subsidiary company that is not 75% +1 share owned by AFCW plc</b>	<b>A</b>
<b>Creating any agreement in respect of Plough Lane</b> to leave the club having less favourable terms in respect of length of tenure, rights or rents paid	B
Name of the Club <b>including nickname</b> , or its status with the FA	A
<b>The primary colours of the Club (yellow and blue)</b>	<b>D</b>
<b>The Club and associated subsidiary badges and crests</b>	<b>D</b>
Amending Rule 22 of the Society's Rules	A
Reclassification of the status designation of a Restricted Action	As per the existing status of that Action
Addition of items to the list of Restricted Actions	B
Borrowing against the security of <b>the freehold at Plough Lane</b>	D
Revoking this schedule	A
Amending this schedule, other than as outlined in sections 6-8	B
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	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;
- b. 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.

Action
Agreeing a ground share to leave the club not having less favourable terms in respect of length of tenure, rights or rents paid
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 eg capital expenditure over 7.5% of the previous year's turnover in the AFCW plc accounts
One off revenue windfalls, eg 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 eg 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

## Appendix 2 - DONS TRUST ROTATION OF BOARD MEMBERS POST 2022

The DT Board are proposing a resolution to members that instead of DT board members having two years terms that they should be increased to 3 year terms to line up with the current 3 year terms of the AFCW PLC Board directors.

Based on the position at December 2022, there will be three board members serving who were elected in December 2021 (Kris Stewart), (Michele Little), (Freddy Flaxman) plus 7 elected in December 2022, of whom 5 will have been elected for two year terms and 2 will have been elected for one year terms.

This can be demonstrated as follows:

### December 2022 - 7 positions (5 get 2 year terms and 2 get 1 year terms):

Number of Positions	Length of Term	Date for next re-election
5	2 years	December 2024
2	1 years	December 2023

### December 2023 – 5 positions (3 get 3 year terms and 2 get 2 year terms):

Number of Positions	Length of Term	Date for next re-election
3 (previously filled in December 2021 or 2022)	3 years	December 2026
2 (previously filled in December 2021 or 2022)	2 years	December 2025

### December 2024 – 5 positions (4 get 3 year terms and 1 gets 1 year term):

Number of Positions	Length of Term	Date for next re-election
4 from December 2022	3 years	December 2027
1 from December 2022	1 year	December 2025

### December 2025 – 3 positions (all get 3 year terms):

Number of Positions	Length of term	Date for next re-election
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2 from December 2023	3 years	December 2028
1 from December 2024	3 years	December 2028

**December 2026 – 3 positions (all get 3 year terms):**

<b>Number of Positions</b>	<b>Length of term</b>	<b>Date for next re-election</b>
3 from December 2023	3 years	December 2029

**December 2027 – 3 positions (all get 3 year terms):**

<b>Number of Positions</b>	<b>Length of term</b>	<b>Date for next re-election</b>
4 from December 2024	3 years	December 2030