

Summary of the meeting of the Constitution Review Group (CRG) of Wimbledon Football Club Supporters Society Ltd held at The Fans Stadium Kingsmeadow on Monday 5th September 2005 at 7.30 pm

Present: David Cox (DC) (Chair)
Mark Davis (MD) (Secretary)

Apologies: Dave Boyle
Roger Cassells (RC)
Ray Downham (RD)
Sean Fox (SF)

In view of the low turnout for the meeting, the majority of the discussion was on various outstanding legal and secretarial matters. This note records discussions relating to the review of the Constitution.

Exercise of powers

A key issue to be addressed by the review would be the question of the allocation of decision-making between DT members and the Board. MD noted that there might be a continuum between:

- Matters that were within the ambit of the Board to decide in its sole discretion;
- Matters that were constitutionally within the ambit of Board decision but which might fall within a Board policy to consult members (whether through formal resolutions or otherwise);
- Matters of principle to be approved by DT members;
- Matters that were so fundamental that they should be subject to enhanced DT member approvals (e.g. delaying of decisions so as to give AFC Wimbledon supporters who had allowed their DT membership to lapse the time to rejoin the Society in order to have a say on fundamental issues).

One question to be considered, in setting the boundaries between these areas, would be whether it would be better, for purposes of the Constitution, to set the boundaries:

- in line with expectations as to where decisions should lie in practice; or
- relatively conservatively (i.e. relatively large degree of discretion afforded to the Board) but then to establish policies involving a relatively high degree of member consultation.

Another issue discussed was how the DT should exercise its shareholder votes on AFCW and other subsidiaries, i.e. the extent to which it should consult DT Members on matters to be voted on. It was noted that some such issues would tend to be routine (e.g. appointment of AFCW auditors¹) whereas others would be substantive (e.g. acquisition of a new stadium). One line of thinking was that the mere fact that an issue was put to the vote of AFCW shareholders implied that the DT Board should put that issue to its members². Another line of thinking was that the fact that an issue was being voted upon by AFCW shareholders was irrelevant, and that the criterion for whether or not the Board should consult DT members on it was the materiality of the underlying issue to be voted. This issue might have implications for the order in which the AGMs of the DT and its subsidiaries were held. As a starting point, it was agreed to find out the processes undertaken by the DT to date in order to exercise its rights as shareholder in AFCW (**Action: MD**).

¹ It was acknowledged that, so long as the DT's and AFCW's auditors are one and the same, it wasn't quite so obvious that this was a routine issue, but the point was made for the sake of illustration.

² Post-meeting observation: this might potentially be subject to certain specific exceptions such as (to use the previous example). appointment of AFCW's auditors.

To make the discussion about issues to be decided by the Board and by Members more tangible, attention turned to a suggested list of issue that could potentially require member approval that had been drafted last year. This list was as follows:

- *selling any major asset of the Trust or its subsidiaries;*
- *moving the club from Kingsmeadow;*
- *altering the 75% control by the DT of AFCW PLC;*
- *authorising the Board to approve an increase in the authorised share capital of AFCW PLC;*
- *approving the allotment of shares in AFCW PLC;*
- *agreeing to sell any shares of AFCW PLC currently held by the DT;*
- *any major (amount to be defined) asset acquisition.*

It was considered whether this list was too broad or too narrow. One suggestion made was that any acquisition of land might require member approval. It was felt that, if this were to require approval, then the event requiring approval would be the making of an irrevocable commitment to acquire land, not the negotiations leading up to such an event. Other suggested addition was the acquisition of an interest in any football club other than AFC Wimbledon, or entering into a major financing. It was also noted, in light of the recent transaction with WISA, that the DT should not require member approval to sell A Ordinary shares in AFCW

Article 98.2 of AFCW's Articles of Association, dealing with matters requiring shareholder approval, were reviewed. The questions were posed:

- whether these provisions were sufficiently robust or whether they needed to be revised (those present leaned towards the former);
- whether these provisions should be mirrored in the DT Constitution as matters requiring member approval;
- whether there should be some leeway for the DT Board – for example, if AFCW PLC required shareholder approval to borrow more than £100K, whether there should be a threshold of up to, say, £250K at which the DT Board could exercise its vote in AFCW PLC, beyond which DT member approval would be required.

It was noted in passing that there is no stated DT objective in the Constitution that the DT should use its powers to seek the success of AFCW. This might be reviewed.

It was agreed that actions arising from the previous meeting would be carried forward to the next meeting, which would take place at 7.30pm at Kingsmeadow on 26th September. CRG members should, in the meantime, consider the issues of principle that they wished to raise on the Constitution (and ideally send these in advance) as well as any further technical issues.