



SD

supporters direct

ENGAGE!

HOW CLUBS CAN WIN WITH FOOTBALL SUPPORTERS

1st Floor, CAN Mezzanine
49-51 East Road
London
N1 6AH

020 7250 8138
www.supporters-direct.org

ABOUT SUPPORTERS DIRECT

SD exists to promote good governance in sport and enable the development of sustainable clubs based on supporter involvement and community ownership.

Formed in 2000 SD has helped set up and support over 200 democratic cooperatives (known as Supporters Trusts) which gain influence in the running and ownership of their clubs. SD believes sport can be better run and should be more responsive to the needs of fans and local communities. Supporters Trusts and community owned clubs provide the ideal vehicle, and SD helps them constructively challenge and change the way that their club and sport is run.

To find out more please contact
enquiries@supporters-direct.org
or visit www.supporters-direct.org

ABOUT THIS GUIDANCE

This guidance was written and researched by James Mathie and Andrew Jenkin of Supporters Direct. It has had a number of valuable contributions from people working to enhance supporter involvement including Roger Ellis, Kristine Green, Peter Lloyd, Stuart Dykes, Ashley Brown and Nicola Hudson.

The purpose of this guidance is to:

- Identify the different ways supporters engage with clubs (and vice versa)
- Highlight good and bad practice
- Provide practical and effective templates and tools to help both supporters and clubs implement best practice

We hope these guidelines will be of benefit to both supporters and clubs.

Thanks to PA Images and Lewes FC for allowing the use of their pictures.

CONTENTS

- 4. INTRODUCTION TO SUPPORTER INVOLVEMENT**
- 7. GETTING THE FOUNDATIONS RIGHT**
 - CONSULTATION
 - CONFIDENTIALITY
- 9. TYPES OF INDEPENDENT SUPPORTER ORGANISATION**
- 10. DIFFERENT FORMS OF SUPPORTER INVOLVEMENT**
 - FAN ENGAGEMENT
 - SUPPORTER LIAISON OFFICERS
 - STRUCTURED DIALOGUE
 - SUPPORTER DIRECTOR
 - SUPPORTER OWNERSHIP
- 31. APPENDICES**

INTRODUCTION TO SUPPORTER INVOLVEMENT

Many of today's most successful clubs and particularly the longest established clubs have their origins in community organisations and enterprises such as churches, social clubs or factories. The vast majority of football clubs emerged from their formative years with names shared with towns, cities or areas of cities, and as such came to fulfil something of a representation role for large numbers of citizens from urban neighbourhoods. While football in some countries retained this traditional member club structure, as interest in the game grew and better

facilities were needed to be built and financed, many British clubs adopted the structure of private limited liability companies. Although typically the change in club structure was motivated by a desire to protect the founders and officers of the clubs from personal liability, it had the effect of creating shareholders who had greater power and influence than their fellow supporters, changing the dynamic of these clubs.

Although at most clubs legal ownership has passed to a smaller number of investors, supporters are often seen as the moral owners of clubs, with far greater connection, commitment and advocacy than people have with other businesses.

*"Many football clubs are the lifeblood of the community, and serve as a hub to many players, volunteers and spectators every week." - Sport England's Property Director, **Charles Johnston***



“While players, coaches and even owners change with increasing frequency, supporters remain loyal to the colours they proudly wear. Because fans are the reason football exists at all, their voice has to be heard and fans have to help shape football’s future.” - **UEFA**



Supporter involvement: why do it?

Successful supporter involvement goes some way to achieving a bridging solution, retaining a worthwhile connection for the supporters and the club despite the club’s legal status often technically operating for the few (shareholders) not the many (supporters).

Having a suitable system of supporter involvement in place is undoubtedly beneficial for both supporters and clubs. Successful businesses can spend significant sums consulting their customers, the insight this feedback can provide is hugely valuable to their long term sustainability and growth. Football fans hate to be considered as customers and it’s detrimental for them to be treated solely as that, they have absolute allegiance to their club and can be advocates that any other business would die for. For clubs, it clearly makes good business sense to embrace the willingness to engage and welcome what most businesses would consider being incredibly valuable customer feedback.

Greater supporter involvement provides the potential for a club to better understand its supporters and to better leverage those relationships in furtherance of its financial, social and community objectives¹.

As highlighted in SD Europe’s position paper ‘The Heart of the Game’² there are a number of potential benefits for businesses involving their stakeholders such as:

- Companies run with a view to the long term interests of their key stakeholders rather than a short term interest in their shareholders are more likely to prosper.
- Companies that operate longer term policies (which are encouraged by mutual forms of ownership) fare better.
- Businesses with stakeholder-orientated policies strengthen conventional indicators of corporate performance which means the commitment of people involved rises and businesses are perceived as more trustworthy.
- Mutual ownership means profit is driven back into the business with less reliance on ‘soft finance’, thereby promoting sustainability and a focus on quality of service and customer satisfaction, not maximising dividends.

As our Social Value of Football³ research showed for football clubs, as socially and culturally-oriented businesses with important roles in their local communities, this is even more true.

¹ Supporter Involvement in Football Clubs, S Morrow

² <http://www.sdeurope.eu/resource/heart-game-supporters-vital-improving-governance-football-2012/>

³ <https://supporters-direct.org/articles/social-value>



Supporter involvement: what does it look like?

A variety of supporter involvement forms and mechanisms have developed and, whilst many clubs do engage successfully and regularly with their supporters, other fans have become marginalised because the method of supporter involvement has been wrong.

Supporter involvement can occur at a number of levels, with each level offering varying amounts of value to the club and community. The pyramid above illustrates the various levels of involvement supporters can have within their respective clubs. As an example in theory, the optimum solution for ensuring supporters have a direct input into their clubs' governance is supporter ownership, where supporters have a minimum of 50+1% shareholding in the club. Assuming a suitable model is in place, supporters will then have certain powers to elect representatives and hold them to account, as well as being consulted on issues of significance and if they don't they can be unseated from the Board or decision-making body.

Each level of the pyramid has a relevant place and delivers benefit to the club so even without supporter ownership the other four levels can still be delivered by the club. This not only creates a fan base who feel positive about their club, it provides valuable supporter (or dare we say consumer) feedback for the business.

With supporter involvement evolving significantly over the past two decades, it is important to identify the different mechanisms of engagement and what is driving them. With increasing numbers of supporter owned clubs, fan representatives and the introduction of roles such as the Supporter Liaison Officer and commitments such as structured dialogue, supporters have never had a better chance to not only raise their voice, but ensure they're heard on critical issues within the running and ownership of clubs.



GETTING THE FOUNDATIONS RIGHT

Before we embark on the different forms of involvement, we need to highlight two fundamental areas that regularly surface at every level of the supporter involvement pyramid; consultation and confidentiality. Both can be challenging and difficult, but from our experience it is absolutely critical that supporters and clubs embrace the challenge. They have to be brave and try to find solutions rather than use them as a reason not to engage and leave an issue unresolved.

Consultation

Simply put... consultation is the level of participation at which people are offered choices on what is to happen.

There is widespread scepticism and lack of clarity over what “consultation” means – for example people may suspect that the decision has already been taken. It is useful to establish the purpose of a consultation by a club, for example is it

- for information? (the decision won't be changed by what you say)
- for comment? (there is a genuine effort to seek and develop ideas)

Proper consultation takes time and can be a bruising process, however, it can really build strong partnerships and help people understand or even make difficult decisions that need to be made.

To really build trust, clubs and supporters can work together to decide the areas that are of most importance to them and make a commitment to follow a process. This could be a voluntary agreement such as a Memorandum of Understanding (MOU)⁴ that is in the public domain or could go a step further with a legal agreement⁵ between the two parties.

Of course, it is important that good consultation stretches to other stakeholders beyond just supporters, and there are numerous examples where the supporters and the club can work together to improve relations and progress opportunities with these different stakeholder groups. Some of them are listed below:

- Local residents.
- Local authority - co-ordinated campaigns to help with planning decisions for facility development and relocation such as at Bristol City.
- Local police - such as the extensive work between Chester FC, Wrexham AFC and the local police to remove the bubble match status.
- Local businesses.

Case study

A good example of consultation comes from AFC Wimbledon who surveyed their members on a range of issues at the club. The 3,000+ co-owners of AFC Wimbledon who make up the Dons Trust (each paying £25) were consulted on setting the price of match tickets for the 2016/17 season. Following a comprehensive presentation of the challenges the club would face with their small Kingsmeadow stadium if they were promoted to League One, the supporters actually voted to increase ticket prices, recognising the need to increase the playing budget and the competitiveness of the team in the league above. This came just two months after supporters at Liverpool walked out in protest at ticket pricing after they didn't feel they had been adequately consulted, forcing an embarrassing U-turn from the club and highlighting the differences in approach.



⁴ See appendix for an example MOU

⁵ See appendix for Exeter City Supporters Trust and Exeter City F.C. governance agreement



Confidentiality

Confidentiality is a key consideration to be agreed upfront between both parties.

It is important to remember there is a balance to strike between confidentiality of what may be discussed and the need to communicate that discussion and the information to a wider audience – particularly as there is likely to be public interest and expectation to share. It is surely far better that clubs and supporters can work together to communicate difficult decisions and educate supporters and the wider community on some of the factors that have led to a decision being made.

Non-disclosure agreements (NDAs) – a contract where one or more parties agree not to disclose certain information they have shared – may be an option in particular circumstances such as if a supporters trust is assessing a potential ownership bid. They are unlikely to be suitable for normal ongoing dialogue although some of the principles involved can help both clubs and supporters think about various aspects of their relationship.

For example, confidentiality could be time limited such that a club uses a meeting with supporters as a sounding board for their views in advance of a club announcement, but that information would subsequently be made public.

Parameters can be defined so that all parties are clear on how various aspects are treated such as the meeting itself, the information shared, the items discussed or the conclusions and opinions of participants.

You then need to consider how far down the chain this information can be communicated. As a general rule, we would expect supporters groups to be given the ability to discuss a confidential matter as talked about in a structured dialogue meeting with their fellow board members, but no further without prior agreement.

Reports rather than detailed minutes may help in some situations, alongside summary information if detailed information is deemed too sensitive.

Simple things like having an agenda which is shared well in advance helps all parties prepare documents and information and ensures the right advisors and attendees participate. Both parties can spot potentially sensitive issues that might need a specific approach to confidentiality.

TYPES OF INDEPENDENT SUPPORTERS ORGANISATION

There are a number of different supporter organisations that have been set up independently from their clubs. Although there will be some blurred lines when it comes to their purpose from club to club, we have summarised their typical features and role below:

Supporters Trust

- Legal form - Incorporated as a Community Benefit Society.
- Primary purpose - To strengthen the influence of supporters in the running of the club they support and be actively involved in the wider community.
- Background - A model inspired by the work of Brian Lomax at Northampton Town in the 1990s and a recommendation to replicate it from the 1999 Football Task Force Report. It recognised that 'fans organisations are being asked to play an increasing consultative role' which led to the formation of Supporters Direct in 2000 and the subsequent formation of 200+ Supporters Trusts as CBS' today.

Being incorporated gives extra powers such as owning assets (and shares) collectively, limited liability for members and opportunities to raise finance by offering shares. Regulatory oversight can help build credibility with partners.



Independent Supporters Association

- Legal form - Unincorporated.
- Primary purpose - To bring like-minded supporters together.
- Background - Independent Supporters Associations particularly came to the fore in the late 1980s/90s to establish an independent supporters voice from the club. Some, but not all, became forerunners of supporters trusts with each case depending on different issues and objectives.

Supporters Club

- Legal form - Unincorporated.
- Primary purpose - A core group of long standing fans that want to arrange social events, fundraisers and travel for the benefit of the club and supporters.
- Background - Supporters clubs have traditionally been the lifeblood of clubs and have on numerous occasions bailed out and saved the club. Typically, they don't seek involvement in the decision-making at a strategic level although a few have evolved to become supporters trusts particularly where the club has been in crisis.

In addition, there are fanzines and online forums which make up an important part of supporter culture. Both can wield great influence and prove popular for supporters in getting their opinions across. We've not included them in detail, not because they aren't important stakeholders, but they don't typically have a structure in the same way that supporters trusts, associations and clubs do.

DIFFERENT FORMS OF SUPPORTER INVOLVEMENT

Fan engagement

What is it?

Fan engagement is a term that has come to encompass everything a club does to communicate with its supporters and also one that everyone seems to have their own definition of. We will work on the basis that fan engagement is driven by the club and is primarily driven by increasing revenue through communications and marketing and specifically how a club talks to its fans and gathers feedback and information from them. To date, the term and area of fan engagement has been aimed at more 'consumer focused' issues such as the match day experience rather than issues of governance or ownership. However it can, and should be, much more than consumer consultation. If the right individuals are involved, and a relationship built on trust created, it can be of assistance in the strategic planning of the club.

What is it designed to achieve?

Fan engagement is a means of giving supporters a sense of being closer to the club. Clubs will use fan engagement as a means of generating feedback on a range of areas including the match day experience.

Do clubs have to do it?

Almost every club will engage with its fans in one way or another, whether that be through social media or having a Supporter Advisory Board. There is no obligation on clubs to embrace fan engagement although some do very well.

What examples have clubs created to engage with supporters?

Fans forum

A public meeting called by the club where typically you'd find a top table of senior executives/directors/football management who take questions from supporters. Although it provides an opportunity for people to ask what they like, the forum set-up makes it hard to get into detail on complex issues and topics can vary dramatically given the number of people attending so the flow of questions and answers often changes quickly. It can also be an intimidating environment to ask questions that might be seen to be more sensitive or 'difficult'.



It suits 'meet the manager' type events, rather than meetings that require more structure. From the club's perspective it is a useful way to engage with large numbers of fans in one go and can provide a forum that is unselective and appears welcoming to all.

Fans parliament

This model is used by a number of clubs to engage with their supporters. Most commonly a club seeks nominations from across a wide variety of supporter groups and specific areas that the club wants to see represented. It offers the opportunity to discuss and debate a wide range of topics.

It gives the club an opportunity to hear from a wide range of supporters and encourages a sharing and understanding of the issues which affect the fans and the club. Staff across the club, whether it be in football, stadium, ticketing or commercial-related departments can also consult and explain decisions.

Fan Parliaments are an opportunity to improve relationships between the club and fans and can be used by the club to get views and gain greater understanding of the issues that affect fans directly. This information can be utilised when important decisions have to be made. This also provides the club the opportunity to explain why decisions are made or why issues are resolved in a certain way.

An effective Fans Parliament should be an inclusive vehicle with a wide representation of supporters representing the diverse make up of fans including:

- Recognised supporter clubs.
- Season ticket holders.
- Family enclosure members.
- Fans from minority groups.
- Members of the ticket priority schemes.
- Away season ticket holders.
- 'Armchair' or casual fans.
- Regular hospitality visitors.
- Disabled Supporters.
- Premium level season ticket holders.

It is important that representatives of these areas are visible and accountable to the constituents they are



representing. Clubs should be aware of the damage to the credibility of any council/board amongst supporters and the wider community if places are monitored, selected or vetoed by the club.

This format provides a more focused group, allowing for more detailed and confidential discussions albeit still appearing as representative. This is perhaps most akin to the customer focus groups that many businesses might invest in. Some topics still don't suit a discussion in this structure. For example, a detailed discussion on financial performance is unlikely to appeal to all, may lose focus and is likely to be better served by supporters with expertise in this area.

Supporter Advisory Board (SAB)

An SAB is drawn from across a club's supporter base and can provide a more structured forum for supporter consultation. SABs are club-led often with a member of staff at the club chairing meetings.

SABs will provide a regular channel of communication and consultation in both directions between the club and its fan/community base. It is designed to be inclusive and to represent the full demographic range of the club's support base, to whom it is accountable. The SAB may discuss the actions of the club board, challenging them where necessary.

The membership of the SAB should include nominated representatives of specific supporter or community groups and other individuals selected after a process of public invitation. Supporter members of the Supporter Advisory Board are committed to using their skills and experience on a voluntary basis to augment the development of the club by working in an open, professional and creative manner alongside existing staff.

Key principles required in club led engagement

Regardless of the name there are a few key principles that should be central to any model of engagement:

1) Representation. Supporters involved must be representative of the wider supporter grouping and hence accountable to those supporters (within the constraints of Company Law and commercial confidentiality). Representation could be achieved through: direct democratic processes; nomination by a defined group of supporters (for example, season ticket holders, Supporters' Trust or Supporters' Association members); or by position (for example, the Chairperson of a Supporters' Trust or Supporters' Association).

2) Accountability. Members of the group should effectively report back to the relevant parties. This often takes the form of a written report.

3) Transparency. The process through which supporters are involved in club governance must be transparent.

4) Skill Sets /Competencies. It is essential there is alignment between the requirements of the representative position and the skill set and competencies of individual supporters.

What does good look like?

- A clear, open and transparent application process.
- Feedback being used in a meaningful manner i.e. action is actually taken and isn't a talking shop.
- Be honest! Tell people how results of forums and consultations will be used and manage expectations.
- Ensure the club keeps records of board decisions.
- Engage, consult and involve the membership; their support is a competitive advantage.

What does bad look like?

- If there are topics which the group doesn't want to talk about (ownership).
- Only speaking to yes men and people who say what you want to hear.
- Decisions taken with little to no consultation (Hull City name/badge change).
- Being told and not generating discussion.

SELECTION PROCESSES

With club led initiatives such as Fans Forums and SABs, what should be noted is the means through which the club puts applications to join such forums are applied.

For instance, many club/fan engagement vehicles will state that all applications are subject to consideration by the club and should be foreseen as accepted until informed of by the club.

This is important to note as if the club are reluctant to adopt a completely open process or reject applications from the more vocal supporters, there may dilution of important topics such as sustainability of the club.

Similarly, constituted supporter groups organised by supporters should operate on democratic principles and on a one member one vote basis, including in the nomination and election of members to a Board.



Case study

Bradford City Supporters Board

The Supporters' Board, established by Bradford City FC, involves a group of supporters meeting once a month to discuss various topics with Club management, the Chief Operating Officer & Facilities Manager.

The Supporters' Board (SB) is attended by selected individual supporters and representatives of Bradford City Supporters Trust, Friends of Bradford City FC, Bradford City Womens FC and Bradford City Disabled Supporters Organisation.

The monthly meetings allow the club to inform the SB of any recent developments while also giving those fans the opportunity to feed back ideas of their own

and those of their respective memberships and other Bradford City fans & stakeholders.

The SB is an official line of communication with the club (as set out in the Club Charter), to raise queries and ideas. When it was formed the then CEO David Baldwin explained: "The idea behind the supporters board is to allow the club to disclose information about things that will be going on behind the scenes and also for supporters to give us their thoughts on areas within the club they feel need alteration or improvement. This is basically a way to have better interaction between a broad spectrum of our fan-base and the internal workings of the club."

The principles are captured in the Bradford City Supporters' Board remit⁶ which can be viewed in the appendices.



⁶ See appendix

Supporter Liaison Officers

A Supporter Liaison Officer (SLO) is a selected person responsible for building bridges between the club and its fans. SLOs may be volunteers or employees. An SLO should communicate fans' opinions to a club's board or senior staff members, and should also liaise with stewards, police and counterparts at opposition clubs.

What is it designed to achieve?

In recent years fan representatives across Europe highlighted the need for improved communications between supporters, clubs, governing bodies and the police and eventually proposed the implementation of SLOs after intensive discussion at national and European levels.

The key objective of the SLO position is to achieve transparency and improved communications between the parties involved. This SLO project acknowledges that supporters are not defined by their role as consumers in the professional football system and that it is in everyone's interests to make ever greater strides to build consensual and harmonious relationships between the clubs and their supporters.

Do clubs have to do it?

Working with Supporters Direct, UEFA introduced a licensing requirement in the 2012/13 season for all clubs across Europe to appoint a Supporter Liaison Officer to ensure proper and constructive discourse between them and their fans.

The Premier League also introduced a requirement in the 2012/13 season for every club to carry out 'supporter liaison' via, for example, a dedicated Supporter Liaison Officer. The introduction of this licensing requirement constitutes a landmark in club/supporter relations and emphasises the importance attached to dialogue and communication between clubs and fans.

Every club in the EFL is required to have an SLO whose responsibilities are not only to act as a point of contact for supporters but also to deliver the club's policy with regards to its stakeholders insofar as that policy concerns supporters; and to liaise with the club's management with regard to supporter issues.

What does good look like?

- The ideal situation would be for a full-time SLO but SLOs do not have to be employed full-time. They can also work on a part-time or voluntary basis (3 ideally if voluntary).
- A team of 'matchday' SLOs can also be employed. West Ham have stated a desire to take on up to 50 matchday Supporter Liaison Officers to improve the matchday experience for supporters.
- A clear job description, reporting process and where the SLO fits in within an organisational structure/chart.
- SLOs should have a clear and visible presence at every game so that they can be a point of contact for supporters and can help address situations.
- Full contact details including email addresses, social media handles and phone numbers for SLOs should be made accessible to supporters via club websites, matchday programmes and other means of communication.
- They actively seek contact with fans with the aim of presenting themselves as the club's point of contact, listening to the requests and concerns of fans and communicating these requests and concerns to the club.
- The SLO must be credible with fans and should therefore have experience with and contacts to the networks in the fan base at the club.
- Participation in the club's Safety Advisory Group (SAG) is recommended.

What does bad look like?

- That clubs simply pay "lip service" to the requirement to appoint an SLO, perceiving the appointment simply as a box-ticking exercise, with the person not necessarily fulfilling the responsibilities envisaged by UEFA⁷.



⁷ (page 15, 'Consultation Analysis: Supporter Involvement in Scottish Football Clubs)

- The supporter representative on the board is also the SLO. There is a clear distinction between the two roles.
- SLOs are not the extended arm of the safety officer. They work to prevent negative incidents from happening through dialogue and communication.
- Their work is dependent on the information they receive from both sides and the credibility they enjoy with both parties.
- Stating that a director on the board of the club fulfils the role suitably.

Top tips

- UEFA are convinced clubs will get more out than they put in. With this, a full-time position represents the optimum solution although there are opportunities to combine the role with other positions at smaller clubs.
- To avoid 'churn' with the position, a recommendation to clubs would be to fully explain the role, have a clear job description and reporting process and make the SLO understand what the position entails.

Please see the appendices for an example SLO role profile used at Bristol City.

Find the right person:

Selecting the Supporter Liaison Officer

Responsibility for selecting the supporter liaison officer lies with the club management.

- Where possible, the supporter liaison officer should be appointed from among the fans.
- The supporter liaison officer should be in regular contact with fans and enjoy their respect and acceptance based on his or her personality and aptitude.
- Where possible, the supporter liaison officer should be given appropriate training, for example in the areas of communication, people management and conflict resolution. The provision of basic psychology and sociology skills, in particular with regard to group dynamics, is desirable.

Please see the appendices for a job spec for the Bristol City SLO role including desired personal and professional skills and job duties.

Case study

Celtic's Supporters Liaison Officer John Paul Taylor, spoke with Scott Johnston from The Scottish Football Show and explained his role

"My job is to try and do the best we possibly can to make sure that Celtic fans are getting the service they expect from the club. Equally if there are daily issues that they want to go forward and that they don't feel that their voice is being heard then generally speaking, they direct that to me. I will take that and turn to the club whether it is through the departments in the divisional head or maybe beyond that on to the board of directors missing senior executive. All sorts of major issues come up, and they would try to make sure that they are addressed in some way so that fans feel that they are getting a response.

I think generally speaking, the club obviously want to make sure that we are putting positive messages to show we are supporting them back equally. Safety is a big part of being an SLO too, and this whole area was designed on the back of safety which is important as I know pyrotechnics is an issue with the game at the moment."





Structured Dialogue

What is it?

The purpose of a structured dialogue is to provide an effective, formalised means of communication between the leadership of clubs at board/senior executive level and democratically elected supporter representatives in order to ensure clear understanding on all sides of key issues of importance to the club and its supporters as long term stakeholders.

It's important to provide supporters with the opportunity through structured dialogue to learn more about the business model of their club and the constraints under which the board operates. Fans may wish to see the team improved, but not at the cost of the club's solvency and stability. It's important that the board of a football club and its key supporter representatives can have a constructive and trusting relationship so that decisions can be better understood and communicated to educate a wider audience, particularly during more challenging times.

A club and supporters may not agree on everything but, by having a suitable channel to discuss the topic, it will at least clarify the various viewpoints from all sides and may help all parties to understand the thinking behind those views. Indeed, it is largely beneficial and progressive for clubs to have a positive and proactive approach to engaging with their supporters.

Do clubs have to do it?

In October 2014, the Government launched an Expert Working Group (EWG) on issues relating to supporter ownership and engagement that included representatives of the National League (NL), English Football League (EFL), the Premier League (EPL), Football Association (FA) and supporter organisations. The Government were represented by the Department of Culture, Media and Sport (DCMS) with other Government departments attending wherever relevant.

In terms of supporter engagement, the Government sought to put into practice a commitment made in 2012 by the Football Authorities in response to the Culture, Media and Sport Select Committee Inquiry into Football Governance that read: *"Clubs will be required under league regulation to set out in a structured format the ways in which they will consult and engage with different supporter interests and groups."*

Following a year of deliberations, the EWG put forward a series of recommendations⁸ that were endorsed by the EFL Board and those of the FA, EPL and NL.

As part of the ensuing EFL regulations, clubs shall hold at least two meetings/fans forums per season to which its supporters (preferably a supporters trust where there is one) are to be invited in order to discuss significant issues relating to the club. The framework for these meetings shall be documented in the club's customer charter, but are subject to the following minimum criteria:

Under the regulations, clubs must be represented by owners, directors or senior executive management as the matters being discussed will often be of a strategic nature and may relate to the management and day-to-day running of the club. Where meetings are not open to all supporters wishing to attend, the supporter representatives must be elected, selected or invited in line with basic democratic principles; and individuals cannot be excluded by the club without good reason (the club acting reasonably).

The provision for elected representatives is intended to ensure that those in attendance have a mandate to represent the club's supporters and will ensure that no-one accuses the process of being a 'sham'. For example, the club might organise a ballot or ask its supporter organisations to do so. Alternatively, it could invite the elected leaders of those groups given they have already been given a mandate to represent supporters. Generally speaking, the best approach will be for clubs to consider the matter in consultation with their supporter groups and identify an agreed approach.

The Premier League agreed to the same minimum level of structured engagement⁹ between their clubs and supporters, although the rules of the PL handbook aren't as clear. The National League will follow the 'best practices' agreed by the Premier League and Football League where it is practical to do so at their level.

How to do it

When we talk about structured dialogue, we mean that there is **real** engagement and two-way constructive communication occurring between clubs and supporters. To avoid simply being a talking shop or a PR exercise you need a structure that allows issues to be properly discussed and developed – rather than just raising issues (for example at fans forums) and hoping the club acts upon them without further encouragement/accountability.

For optimum trust and credibility the involvement of a supporters group (s) in structured dialogue should be founded on the following principles:

- *Independence – they should be run completely separately from the club to ensure independence.*
- *Accountability – they should be there to represent their members and the wider community not individual opinion.*
- *Democracy – they should be run on a one member, one vote basis.*
- *Representation – they must be representative of the wider supporter community and hence accountable to those supporters.*
- *Inclusion – the membership policy for the supporters group should be open for all to join.*

This is why Supporters Direct believe a supporters trust (which is incorporated and regulated to meet the above principles by law¹⁰) should ordinarily lead this area of dialogue with a club. To avoid criticism we recommend that the lead supporters organisation should:

- Be properly incorporated and constituted with a 'one member, one vote' democratic governance structure.
- Publish minutes from a Board meeting no less than 4 times a year.
- Attempt to actively increase membership of their club's supporters.
- Engage the wider community.

⁸ <https://www.gov.uk/government/publications/government-expert-working-group-on-football-supporter-ownership-and-engagement>

⁹ As part of the Government's Expert Working Group on Supporter Ownership and Engagement which published its commitments in January 2016 <https://www.gov.uk/government/publications/government-expert-working-group-on-football-supporter-ownership-and-engagement>

¹⁰ The common form of a Supporters Trust is a Community Benefit Society (CBS) which is governed by the Co-operative and Community Benefit Societies Act 2014 and overseen by the Financial Conduct Authority (FCA)

- Have skilled officers or officers in training that are relevant to the fundamental agenda items (identified opposite).
- Have an open affordable membership to any supporter of the club.
- Have independence from the club in the way they operate (e.g. having a membership policy, constitution and funding which are not influenced by the club).

Building trust

SD feels there are three fundamental areas which establish “trust” and should be allocated adequate time and prominence in the agenda.

1. Financial performance

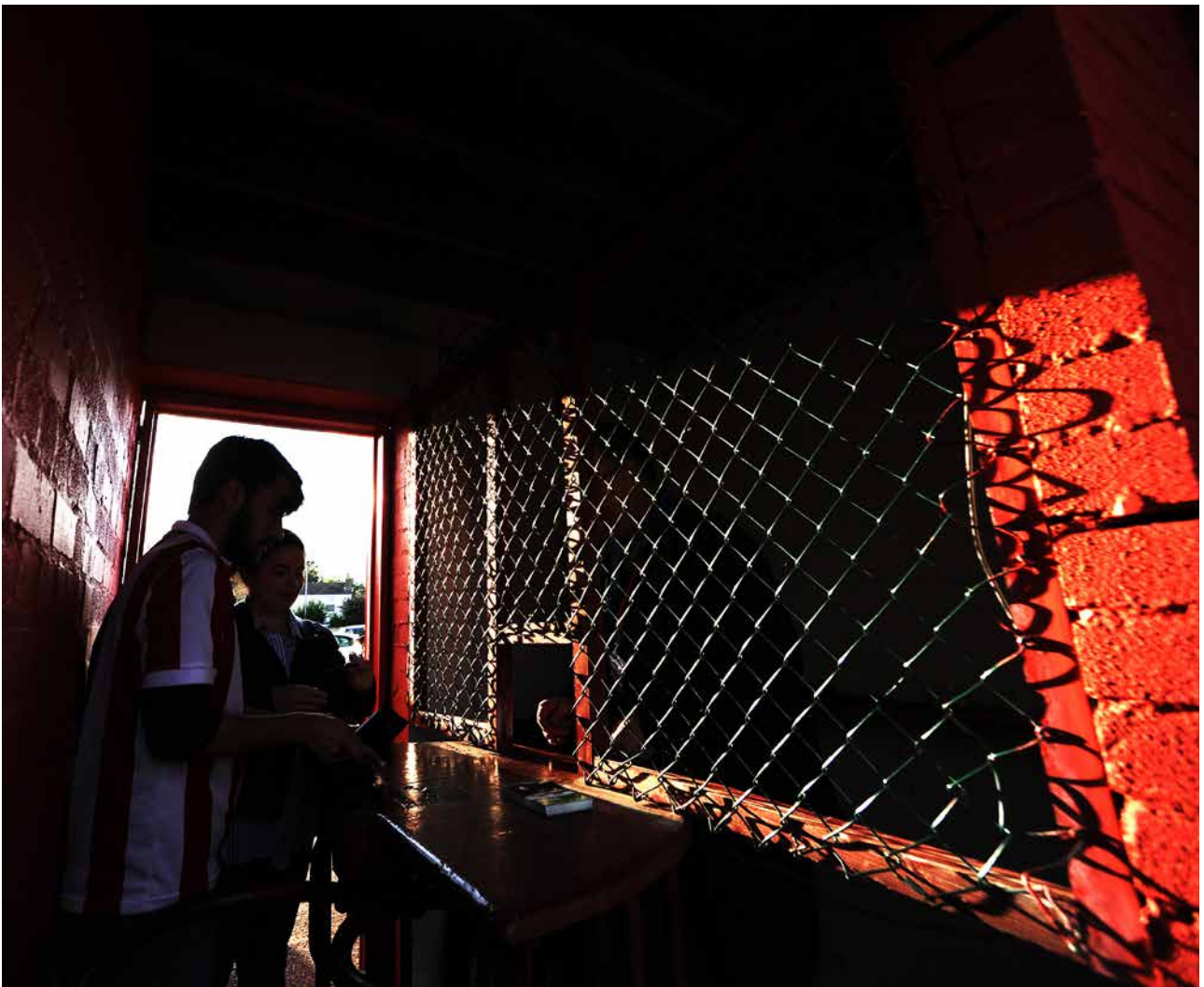
A commitment to discuss headline income and expenditure figures for the club, the level and structure of debt and sources of funding.

2. Disclosure of Information/Transparency

A commitment to share adequate information both before and during the meeting to make the meetings effective and worthwhile.

3. Ownership

An opportunity to discuss the existing ownership structure, discuss owner’s commitment and future plans and, where appropriate, a chance to discuss formal supporter interest up to and including consideration of a supporter ownership bid.



The table below shows key topic areas for structured dialogue and why it benefits clubs and supporters to discuss them

| Item | What is it | Examples of benefits to Club | Examples of benefits to supporters |
|---|---|--|--|
| Financial performance | Viewing and discussing headline income and expenditure figures for the club | Can explain the detail behind the figures - where the club is performing well and where there is room for improvement | Chance to consider and examine financial performance in a more conducive environment |
| | The level and structure of debt | Education - opportunity to show how much it costs to run a competitive professional football club with the message relayed to a wider supporter audience | Gain a greater understanding of how the club works |
| | The sources of funding | Opportunity to build trust | Could put supporters minds at rest or be the catalyst to prepare for a change of ownership |
| Disclosure of information/ transparency | Commitment to share information in line with the disclosure and transparency regime of a Public Limited Company | Clarity on what is expected | Further clarification on certain issues |
| | | A chance to show the community the principles that the club is committed to | Peace of mind |
| | | A chance to alleviate any concerns and explain any items drawn to supporters' attention | |
| | | Foundation to build a strong relationship with supporters | |
| Ownership | A chance to discuss the existing ownership structure | Educate and explain corporate structures to supporters and the rationale for them | Clarity |
| | Owner(s) commitment and plans (including selling a significant shareholding or land assets). | A chance to clarify short/ medium/long term commitment to the club | An understanding of whether supporter ownership is possible with time to prepare |
| | A chance for formal supporter interest up to and including consideration of a supporter ownership bid | An opportunity to consider a potential exit strategy/seek new investment in a suitable forum | |

Once both parties are happy with the discussion on these points there may be an opportunity to widen the agenda to talk about other topics. Consideration should be given as to how this fits with existing supporter engagement mechanisms and whether this is the appropriate time and place to broaden the agenda. This will vary from club to club and should be straightforward to agree following initial consultation between club and supporters.

Whatever approach is decided upon, in either case attendees representing supporters should adequately consult and engage their members and constituents for items to discuss. Enough time should be allowed for these to be included on an agenda before it is sent out.

The relationship will be helped with defined, publicly available, terms of reference to ensure there are no grey areas or disputes as to the focus of any engagement and resulting dialogue. Ideally, uniform terms of

reference should be agreed with direction from the relevant league, rather than on an individual club-supporter basis. Either way suitable terms of reference should provide clarity and consistency to both parties in the following areas:

- The issues to be discussed;
- Information to be shared/disclosed;
- The officers/directors to meet;
- Frequency of meetings;
- Clarification on any issues to remain confidential

Attendees should offer some continuity, this is key to not only building a trusted relationship but also effective follow-up of issues discussed previously. It is recommended that minutes of the sessions are recorded and shared with attendees as clearly there will be wider interest. SD suggest that any published write-up is agreed between all the attending parties before publication to the wider supporter base.

Confidentiality is a key issue at all levels of supporter involvement and one that can cause clubs to fear or resist the concept of supporter involvement.

It is recognised that clubs will not always be in a position to discuss some issues. SD recommend the terms of confidentiality are agreed in advance between all parties. Sensitivities can largely be dealt with by way of a clear protocol of what can and can't be reported and there should be an element of discretion to be agreed upfront between both parties.

What does good look like?

- In determining the matters to be discussed, clubs should consult with the various attendees, all of whom should be given the opportunity to table items for the agenda.
- Suitable information should be provided and shared to aid discussions, particularly if it isn't already publicly available. Please see the text box opposite for more.
- It is recommended that minutes of the meetings are recorded and shared with attendees. Clearly there will be wider interest and it is suggested that any published write-up is agreed between the attending parties before publication.



- Clubs can then demonstrate that they have consulted with supporters with regard to key decisions such as any permanent ground move, change of club badge or substantial change to club colours and that the best means of doing this is through these meetings. Additionally, where there might be a future opportunity for supporters to invest in their club, this should be flagged at these meetings. These meetings will also provide a forum for discussing matters that might be relevant to the club at a wider league/national level.
- The engagement should be both retrospective and forward looking, with discussions encompassing historic performance and future plans.
- If the principle of greater transparency is accepted there must be an opportunity to discuss the club's financial condition in similar fashion to the club/company AGM.

Suggested minimum level of information to be shared:

- Half yearly or annual accounts to include disclosure as follows:
 - Revenue split in appropriate major categories.
 - Expenditure split in appropriate major categories.
 - Outstanding debtor and creditors figures in relation to transfer fees.
 - Directors' remuneration and rewards.
 - Related party transactions.
 - Significant capital expenditure.
- Compliance with 'Financial Fair Play' obligations.
- A list of the organisations/ individuals with significant ownership interests.
- Board membership and any relevant sub-committee memberships.
- A list of individuals with senior responsibility for decision-making and explanation of roles and responsibilities.
- Confirmation of any 'significant' arrears and how these will be repaid.

What Does Bad Look Like?

- The club nominate individuals to participate in discussions.
- The three fundamental areas to build trust (finance, disclosure and ownership) not being given adequate space to be discussed¹¹.
- Information from meetings not being shared with the wider fan base.
- A tendency to use 'commercial confidentiality' to avoid sharing financial and operational information.
- A culture of 'no comment' that needs breaking down. Proper parameters and responsibilities need to be embedded.
- Avoidance of contentious issues.
- "Structured means structured". A large meeting typically doesn't suit dealing with the primary topics structured dialogue is designed to address.
- Senior leaders (e.g. key decision makers) not attending.



¹¹ Note these areas may not be of optimum concern for supporters so may not make up the core agenda, however it is important that should they want to be discussed they can be in a properly structured environment with the right personnel and suitable information.

Case study

Since 2014, at the instigation of Fulham Football Club Chief Executive Officer Alistair Mackintosh, members of the Fulham Supporters Trust Board have met with senior representatives of Fulham Football Club on a monthly basis as part of a structured relationship between the Trust and the Club. The Trust representatives are free to ask any questions they wish, and notes from the meeting are prepared by the Trust Board for rapid circulation, first to members and then to the wider Fulham fanbase. The meetings are always attended by the CEO and a selection of the Club's management board and have become an excellent forum for frank discussion and cooperation.

- The structured relationship has served to help increase trust between the Club and the fans and has delivered a number of tangible benefits already for Fulham supporters, which include:
- Securing Fulham's long-term future at Craven Cottage.
- Delivering a three-year season ticket price freeze.
- Regular meetings with the local police forces, local councils and the football authorities to raise concerns of Fulham fans.
- Supporting the award-winning work of the Fulham Foundation, including the 'Fulham Memories' and Walking Football projects.
- Holding successful supporters' events, such as the Fulham History exhibition and the Trust's end of season dinner, at Craven Cottage.



Checklist for Structured Dialogue¹²

1. Do you have a term of reference for your structured relationship with the club?
2. Do you have a role description for representatives from the supporters?
3. Do you have agendas agreed in advance of meetings and are minutes taken?

¹² Template terms of reference, role descriptions, agenda and minutes in appendix



Supporter Directors

What is it?

Many directors of football clubs will consider themselves to be a fan of that club and will work tirelessly for their club for no financial reward. Not to downplay that role but when we use the term 'supporter director', we are referring to an individual who is democratically elected by a supporters' trust or similar organisation to represent the interests of a wider group of supporters on the board of a club.

The traditional way of becoming a director of a football club is to purchase a significant shareholding, but many companies have people on the board for other expertise they have or particular skills they possess. At a football club, one such 'skill' is representing supporters' views, arguably the principal stakeholder of any club. Of course, the supporter director needs to be the right person and therefore we recommend a multi stage election process. For example, the membership of a trust elects its board and the board will then elect the supporter director. A supporter base is made up of a hugely wide-ranging and diverse set of people from all walks of life. This multi stage process ensures an appropriate individual to work at board level is selected.

What is it designed to achieve?

Having a supporter director who is representative of supporters' views is critical to ensuring a well functioning board is properly governed and can come with numerous benefits for both clubs and supporters.

These include:

- Providing valuable local insight and perspective.
- Changing the relationship between club and supporters from "us and them" to "we're all in this together" and providing insight into local fan culture and expectation.
- Providing constructive and well informed challenges and checks and balances.
- Making fans less likely to blame the board for adversities, because of the element of partnership.
- Improving communication both ways and a greater understanding among supporters of the constraints under which the board operates leading to fewer demands for increased expenditure to "buy" success.
- Issues of sustainability move up the agenda.
- A reservoir of talent, goodwill and effort on a voluntary basis becomes available to the club, which can augment the limited professional resources the club may be able to afford.
- Issues such as anti-racism, equal opportunities and access for the disabled can be highlighted more easily.
- Gates tend to increase where trusts are involved at boardroom level, and with them sales of merchandise increase proportionately.
- The trust bringing an additional revenue stream through voluntary fundraising, which is incentivised and stimulated when shares are made available for purchase by the trust, it is more likely to do this if it believes buying shares to be a sensible use of trust funds.
- Heritage and historic knowledge.

Do clubs have to do it?

Clubs are not obliged to have a supporter director on the board, however, supporter directors have been steadily increasing at professional clubs in England particularly at EFL 1 and 2 level where match-going supporters' contribution to a club's overall income is higher. There are over 40 Supporter Directors across the UK and there has been a strong push from Supporters Direct and many politicians for this to be adopted nationally.

What does good look like?

The dynamic between a club and their supporters will change from club to club and the role of the Supporter Director ought to be developed on a case-by-case basis. However, there are some fundamental principles which should underline any effective relationship between the club and the trust in advance of any appointment:

- A code of conduct¹³ for the role should be developed so that everyone is clear on responsibilities and reporting position.
 - Agreeing how serious and sensitive items are handled will help all parties, e.g. change of ownership, sale of ground etc.
- It is preferable that a Supporter Director has come through a democratic process. We'd recommend that the elected Trust board vote on who represents them so that they can be confident that they have the right skills and commitment to the objects of the Trust. Either way the position/decision should not be influenced by the club board.
 - There may be a minimum term (e.g. 1 or 2 years) that an individual needs to have served on the Trust Board before qualifying.
- A role description¹⁴ detailing expected commitment, duties and objectives of the Supporter Director should be developed.
- Supporter Directors will ideally be well rounded, with a reasonable understanding of all of the football club's functions.
- There should be a limit on the time that a Supporter Director can serve.
- Scepticism has often also been expressed towards a single person carrying the position on the board, so two people covering the role on a rotational basis has been proposed as mitigation for this problem.
- A criteria or mandate which the person putting themselves forward for the position must meet is essential.
- Patience from the Supporters Trust and support base. The Supporter Director will ordinarily be in a minority and must work hard to influence change in the way some supporters would like to see. Continuity can help building trust and rapport with board colleagues.

Issues of confidentiality for Supporter Directors

A Trust Director is a legal director of the club, and is therefore bound by the same fiduciary duties as every other director. The fact that they are elected is irrelevant in this regard. Whilst the members might demand certain information, it's up to the trust to manage expectations of what is and isn't publicly available to members. As for the Supporter Director revealing confidential matters, there is no reason why they are any more likely to do this than an existing director. Supporter Directors will only publicise information in the public domain when agreed with fellow board members. Other things, such as player wages, are subject to normal practices of confidentiality. If the club board doesn't buy that argument, Trusts have to campaign on the grounds that they are being treated like unruly children who can't be trusted, when the board makes far less stringent checks on wealthy individuals who might be invited to invest and join the board. Trusts need to press their professionalism and probity, and stress they are a serious organisation that can bring added value to the management of the club.

What does bad look like?

- If the club is reluctant for the trust to choose their representative, the signs are that they are looking for a "yes-man" rather than an effective director.
- The Supporter Director is also the Supporter Liaison Officer.
- Avoid conflicts. If in doubt declare a conflict.
- Engage, consult and involve the membership; their support is a competitive advantage.



¹³ Please see appendix 6

¹⁴ Please see appendix 5



How to do a good job as a Supporter Director

- Have in mind at all times what the trust or the company is trying to achieve.
- Make attending board meetings a priority.
- Read all board papers carefully and seek clarification of anything you do not understand.
- Receive (and ask for it if you do not receive it) basic information about the company's financial position at every meeting. In a trading company, you might expect a report on performance against budget and identifying and explaining any significant variances. Unless a cash flow forecast is prepared which shows a trading company operating within agreed limits, you should obtain confirmation that the company is operating within its banking covenants and expects to do so for the foreseeable future.
- Work with the rest of the board to achieve a strategic planning cycle so that you discuss what needs to be done. Then agree who will do what by when, review progress and success and begin the cycle again.
- Unless you have an executive role or take on a particular task, do not become involved in the day-to-day detail of running the company. In the case of a football club, you will be paying executives to do things and they spend each working day in the business. You will not be as well placed as them to make detailed management decisions and they are unlikely to effectively carry out plans with which they do not agree.
- If there is a consistent failure to hit the targets the board has set in its strategic planning process, ask questions. Do this in a constructive way to see whether plans need to be changed because they are impractical. If you decide that there is a problem with day-to-day management (and you should be slow to arrive at that conclusion), ask the executives who report to the board to deal with it. If the problems are with the executives who report to the board, have a discussion about it and deal with the issue. If there is an insurmountable problem with an individual, the individual must be replaced; do not fall into the trap of trying to do the person's job for them by making day-to-day decisions or overruling their decisions.
- If any question arises as to the solvency of a company or trust, seek independent advice. It is unlawful for a company to continue to trade and incur liabilities and if it is unable to pay its debts as they fall due. Directors who permit this situation to arise may become personally liable. It is legitimate for a company to trade through a period of difficulty if there is a reasonable prospect of restoring its fortune. If you find yourself in this situation, you must arrive at a clear understanding of what is proposed, how it will solve the problem and how the company's finances are to be managed in the interim. You should also identify critical features of the plan and agree what is to be done if any of these features comes into doubt.
- If you are not satisfied about the financial health of a trust or company or the steps being taken to put it right or if you feel that you are not being given the information you need to make proper decisions, resign.

Case Study

Dave Matthews-Jones is a Supporter Director at Cambridge United who has been chosen by the members of Cambridge Fans United (CFU) Supporters Trust and put forward by the CFU Board to represent them on the club board. They use a code of conduct that has been agreed with the club to help clarify various aspects of the role. It is a challenge to represent supporters as Dave acknowledges “You try to gauge as many opinions as you can but it is difficult. For example on match days sometimes I want to ensure I’m in the Boardroom to maintain a relationship with the Directors but at the same time I’d like to be on the terraces to chat to more supporters (and vice versa). I’m always looking to represent supporters’ views but as a Supporter Director I also have to remember my fiduciary

responsibilities as a Director of a Company, for example, taking into consideration the financial implications of a decision. I believe the role is beneficial to both the club and the trust but you have to work at it and a code of conduct helps to clarify the role and manage expectations.



Tips for Newly Elected Directors

Here are a few suggestions which are worth considering by any newly-elected director.

- **Add value to the board:** Identify and make available to them your own areas of expertise. You may be pleasantly surprised at how much responsibility you are given on the board’s behalf. Areas of particular interest and relevance to supporters might include equal opportunities, anti-racism,

access for disabled supporters and Football in the Community. These represent whole areas of the club’s life which often attract very little interest from traditional directors, but which can bind the club into its community and thus reposition and enhance its public profile to the benefit of all, at the same time recruiting a new generation of fans.

- **Recognise contributions to the club:** Every club, large and small, has an army of staff and volunteers who, for decades in many cases, have given their time free or at a pittance, to facilitate matchday organisation simply for the love of the club. They are frequently ignored or taken for granted by the directors. Everyone likes their efforts to be appreciated, so spend some time every matchday with stewards, programme sellers, etc. and make sure they know their contribution is valued by the club. Travel to away games can be an issue. You may be given the opportunity to travel on the team coach, but may be reluctant to be thought to be accepting ‘freebies’. Do not reject this opportunity. It is important that the players and the manager know that the supporters’ representative is an important figure in the club - it will help you to get player guests to come to Trust meetings and functions if you get to know them personally. At the same time, do not trade on your position. Only go sometimes, and travel at least as often on the supporters’ coach, paying your way. The fans will appreciate the opportunities for the one-to-one discussions that this time provides.



Finding the right person: Supporter Director

- **Business Experience.** Given the public attention on football, taking up a director position at a club is considered one of the hardest jobs in business. Moreover, the role of the Supporter Director is arguably the most challenging on a football club's board. In light of that, it is beneficial if a Supporter Director possesses business experience and has been a director in the past. Such experience will assist them in dealing with the trials of the job and ensure they feel comfortable in the corporate environment.
- **Time.** The majority of football clubs rely on directors to work in a voluntary capacity. The popularity of football and the emotional attachment people have towards the clubs they support makes this possible. Nonetheless, relying on volunteers does present problems. If the Supporter Director, or any other directors, are to do justice to their role, they must have sufficient time and capability to carry out their duty. This can be an issue if the individual has a demanding career elsewhere and the Supporter Director position is unpaid work. It is therefore important for any potential Supporter Director to consider whether they have the requisite time to give their full commitment to the role.
- **Understanding the Supporters.** For any organisation, it is beneficial if the directors have a broad understanding of its culture and the range of stakeholders involved. This allows them to empathise with all associated parties and make decisions with their interests in mind. To perform well as a Supporter Director, it is particularly important to be aware of the different views of the supporter base and to be sufficiently connected with it. Football fans are a heterogeneous group. They engage with the club they support on different levels and there is likely to be divergence in their opinions. Showing consideration to this will assist the Supporter Director in building a rapport with the fans, even if a proportion of them do not necessarily agree with decisions that are taken.

A role profile for a Supporter Director can be found in the appendices.



Supporter Ownership

What is it?

When SD talk about supporter/community ownership we mean that;

- A minimum of 50% +1 of the voting rights of the club is controlled collectively by a democratic entity which has an open and inclusive membership.
- ‘Democratic’ means the membership of the entity works on a one member, one vote principle.
- ‘Inclusive’ means that there are no substantial barriers to participate as a voting member, with membership open to all that are sympathetic to the aims of the club.
- Any profits are reinvested back into the club as opposed to being distributed to shareholders.
- The club is committed to running as a sustainable business.

Many supporters trusts have worked hard to build up a minority shareholding in their club, which although not giving them control of the club and the business, provides other rights and powers¹⁵. The number of clubs that are reliant on injections of capital from their owner (s) to keep them as a going concern adds risk to this strategy, as shares are at greater risk.

What is it designed to achieve?

The major benefit of community ownership of a business is it gives the community a greater influence in how the organisation operates, which in turn can lead to superior business performance. A challenge with most football clubs that are privately owned is that the objects of the owners are slightly different to the supporters, particularly when it comes to making a profit. With a supporter ownership model those objectives should perfectly align.

With the community as co-owners of the business, the club can benefit through developing:

- **Strategic Partnerships**
A club owned by its community has the potential to develop deeper longer term strategic partnerships .

- **Finance**

Clubs operate to more financially responsible standards and can attract a different type of investment.

- **Sponsorship**

A community ownership structure can be beneficial to attract and retain sponsorship above and beyond what a privately owned club can expect.

- **Developing Facilities**

Community owned clubs offer greater protection and transparency within their constitution, which appeals to partners and funders.

- **Resilience**

Giving people the chance to own a club can increase their connection with it, so people share the responsibility of sustaining ‘their’ club.

- **Volunteering and participation at the club**

A greater buy-in and trust from the community can unlock more volunteers and participation.

- **Match day spending/donations**

If supporters know that the money they spend will be reinvested in the club, they are more likely to spend or donate more.

What does good look like?

Successful supporter owned clubs will:

- Have a healthy, vibrant and engaged membership which is representative of the fan base.
- Ensure that there is clarity on who makes decisions at all levels of the club from the executive and board to how members can be involved in the governance and in particular the big decisions that might come up. This can be captured in a side policy if the rules don’t go far enough.
- Manage expectations of supporters, encouraging active participation and growing trust by demonstrating accountability to the members.
- Widen the understanding of the membership and wider community of how the club operates, hence the phrase ‘making the running of a club a spectator sport’.

¹⁵ See appendix for shareholders rights

- Have developed policies and procedures that ensure that appropriate controls are put in place to authorise expenditure and that financial controls are put in place to ensure that income, especially cash, is not inappropriately diverted.
- Have contested elections for places on the club board.
- Deliver community benefit outside the club.
- Have a strong varied network of volunteer support.

What does bad look like?

- Having a stagnant membership with people unenthused and unengaged with trust/club governance.
- Not addressing an 'us' and 'them' culture between the board and the supporters.
- Not consulting or involving supporters in the big decisions the club faces.
- Poor communication to members and neglecting to tell the wider community about the social value you bring (you need people to measure you on more than just the senior men's team league table). See below for some quick ideas:

Case study

Exeter City Supporters Trust have had majority control of Exeter City Football Club since 2003.

Exeter City have an agreement in place which clearly identifies the items that need supporter agreement

for them to be enacted. These cover a variety of areas from the change of name, to the disposal of land/buildings valued over £25K, to the responsibilities of senior staff and board members.

This agreement can be found in the appendices.



Appendices

Appendix 1 - Fan Engagement - Bradford City FC
Supporters Board remit

Appendix 2 - Supporter Liaison Officer - Bristol City
SLO job specification

Appendix 3 - Structured Dialogue - template memo
of understanding

Appendix 4 - Structured Dialogue - Exeter City legal
agreement

Appendix 5 - Supporter Director - role profile

Appendix 6 - Supporter Director - Bees United
(Brentford) code of conduct for supporter director

Appendix 7 - Supporter ownership -
Shareholders Rights

Appendix 1 - Fan engagement

Bradford City FC Supporters' Board

Remit

Definitions

"The Supporters' Board" is the body established by Bradford City FC Ltd. according to the terms of this document.

"The Club Board" is the Board of Directors of Bradford City FC Ltd.

Purpose of the Supporters' Board

The purpose of the Bradford City Supporters' Board is to strengthen the structured relationship between Bradford City FC, City supporters' groups and other supporters' and community representatives and to enhance Bradford City's profile as a model of transparent and sustainable governance.

Remit of the Supporters' Board

The Supporters' Board will provide a regular channel of communication and consultation in both directions between the Club and its fan/community base. It is designed to be inclusive and to represent the full demographic range of the Club's support base, to whom it is accountable. The Supporters' Board may discuss the actions of the Club Board, challenging them where necessary.

Issues for the Supporters' Board's Agenda. These will include, but are not confined to:

- Club stability and sustainability for the benefit of current and future generations (including the club's strategic vision and objectives, short, medium and long-term plans, and proposals for supporters investment);
- BCFC financial and operational performance;
- The matchday experience of home supporters and season ticket holders, travelling and geographically-distant supporters, the fans of visiting clubs, and supporters travelling to away games;
- Contact between the club and supporters, including publicity and information exchange;
- Volunteering opportunities at the club involving supporters;
- Scheduling of club/fan events, such as Fans Forums and player appearances;
- Joint exploration of investment opportunities and ideas for marketing campaigns (including season ticket offers);
- Proposals for developing the club's fan base;

BCFC SB Remit

- 2

- Encouragement of the use of facilities at Valley Parade by external organizations;
- Community engagement, and contacts with local institutions (eg schools), local communities and community groups;
- Youth development;
- Relations with Bradford Council (including the Manningham Masterplan Board), charities and other public bodies.

Information to be Shared

This will include, but is not confined to:

- BCFC Annual Budget and Balance Sheet, Profit and Loss and supporting information;
- Monthly performance against budget;
- Proposals that may affect the future financial situation of the club, such as the disposal of assets, change in the level of debt, or significant share transaction;
- Club colours and kit designs;
- Changes to matchday arrangements;
- Fund-raising for special projects;
- Joint events such as Open Days or Community Days;
- Events organized by fans or supporters' organizations;
- Marketing, merchandising and sponsorship information;
- Contacts with public organizations.

Issues Excluded from Discussion. The Supporters' Board will not be concerned with team matters such as player recruitment or selection, or the details of personal employment contracts entered by the club, or with football management appointments.

Arrangements for the Supporters Board. The Supporters Board will be chaired by the Director of Operations as the representative of the club and meet monthly, prior to meetings of the Club Board. In addition, the Supporters Board will schedule at least two open meetings/Fans Forums at appropriate times relating to the playing season. The membership of the Supporters Board will include nominated representatives of specific supporter or community groups and other individuals selected after a process of public invitation. Supporter members of the Supporters' Board are committed to using their skills and experience on a voluntary basis to augment the development of the Club, by working in an open, professional and creative manner alongside existing staff.

BCFC SB Remit

- 3

Working Groups

The standing Working Groups of the Supporters' Board are:

Commercial
Communications
Community

Confidentiality. A major objective of the Supporters' Board is to improve the flow of information between the Club and its supporters. This must however occur on the basis of mutual trust. As a general rule, any matter offered by any member of the Supporters' Board on a confidential basis will be treated as confidential by the other members of the Supporters' Board, and public disclosure of confidential information, if any, will be on terms agreed by the Supporters' Board. All Supporter Members will agree to sign a Non-Disclosure Agreement to give effect to these principles.

BCFC, November 2012

Appendix 2 - Supporter Liaison Officer

Bristol City Football Club Supporter Liaison Officer Job Specification from the Supporters' Perspective

The role of Supporter Liaison Officer (SLO) is a complex one. The SLO must act as an advocate of both Bristol City FC and the supporters, representing the interests of BOTH sides. It is therefore essential that the SLO is credible and has the respect and acceptance of all parties. The SLO should therefore be chosen from among the supporters. The SLO must be present among them. The SLO must know them and be known and accepted by them. Only then can they assess the mood among supporters. Only then can they understand the problems fans may face and their needs and wants.

As listed by the UEFA SLO Handbook, the standard required skills are:

PROFESSIONAL SKILLS

- Experience of positive people management.
- Experience and contact with key supporter networks at local and national levels.
- Vocational or technical qualification or academic degree.
- Basic educational, psychological and sociological skills in dealing with people, especially with regard to group dynamics.
- Sound understanding of new media/technologies (desktop business applications, internet, etc).
- Political neutrality.
- Commitment to key values such as anti-discrimination and the rejection of violence.

PERSONAL SKILLS

- Good communication and conflict resolution skills.
- Ability to work in a team.
- Willingness to learn.
- High degree of commitment, motivation, reliability and flexibility.
- Ability to communicate, in particular in groups and in public.
- Service-oriented thinking and behaviour.
- Assured negotiating skills and assertiveness.
- Appropriate life experience and experience of dealing with fans; knowledge of and contacts within the club's fanbase.
- Flexibility (time-wise), especially at weekends, and personal resilience.

- Professional manner according to the situation.
- Calming, de-escalating, de-emotionalising professional conduct in stress and conflict situations.

DUTIES

The SLO's duties can be split into 3 areas: Home Matchdays, Away Matchdays & Between Matches.

Home matchdays

City's SLO should attend all / practically all first team home games.

In advance of home matches, City's SLO should consult with supporter groups re any displays of flags, banners, etc., assist with coordinating procedures for such displays and assist with preparation of any planned on-pitch supporters' presentations.

Before the match, City's SLO should mingle with supporters in pubs and bars around Ashton Gate and also within the stadium; upon arrival of away supporters' coaches, meet the visiting SLO and be available to answer any outstanding questions about the day's arrangements.

During the match, City's SLO should sit/stand with supporters in standard price accommodation (i.e. not in corporate hospitality or the directors' box); at not less than 50% of games City's SLO should sit/stand with supporters in the lowest priced area of the ground.

During half-time, City's SLO should circulate among fans in main gathering points, i.e. on concourses and in the Sports Bar, or take up a presence at a well-publicised, accessible information point in order to be available to answer any supporter questions / assist with queries and/or problems.

After the match, City's SLO should take up a presence in the vicinity of the information point (or similar contact place) and communicate there with fans, subsequently attend any fan meetings in pubs in Bristol and, if applicable, any events organised by supporters' groups.

Later, City's SLO should summarise any complaints from fans at the match and try to establish the circumstances and underlying reasons for these complaints and any other issues that arose.

Throughout matchday, fans should be able to contact City's SLO by mobile phone (voice & SMS).

Away matchdays

City's SLO should attend all / practically all first team away games.

In advance of the match, City's SLO should gather and distribute travel information, including details of meeting places / pubs for away fans, contact the home team's SLO, provide information for supporters about the upcoming game on the club website, via social media and by e-mail/phone contact with supporters' groups, etc.

On the day of the match, City's SLO should travel to the away games with supporters, alternating the mode of transport to cover all options over the course of the season, e.g. CATS, private coaches, train, car sharing, etc.

Before the match, City's SLO should mingle with supporters in pubs and bars around the ground and also within the stadium; upon arrival of CATS coaches (if not personally travelling on them), City's SLO should meet supporters as they disembark, meet the host club SLO, be available to answer any outstanding questions about the day's arrangements and provide a presence for imparting information outside of the away supporters' section of the ground.

During the game, City's SLO should have a presence in the City supporters' section and communicate with fans at half-time.

After the game, City's SLO should take up a presence near the away section exit, communicate with fans as they leave and monitor their departure.

Later, the SLO should summarise any complaints from fans at the match and try to establish the circumstances and underlying reasons for these complaints and any other issues that arose.

Throughout matchday, fans should be able to contact City's SLO by mobile phone (voice & SMS).

Between matches

City's SLO should attend all meetings of organised fans groups, e.g. Supporters Club & Trust and Senior Reds, unless the respective organisation indicates that it would prefer such attendance to be by invitation.

City's SLO should be available in person at Ashton Gate at well-publicised set times for supporters to call in and ask questions, i.e. 'consulting hours'.

City's SLO should actively communicate with supporters via letter, e-mail, telephone and all forms of social media, including maintaining a regular presence on all main fans' forums, including but not limited to OTIB and Ziderheads.

City's SLO should organise/attend meetings to inform fans about the latest developments at the club/deal with fan-related requests and concerns.

City's SLO should initiate meetings between supporters and club representatives and institutional representatives (police, stewards, local authorities, etc.), for example, with the aim of improving dialogue between the various parties and their understanding of each other's roles and views.

City's SLO should work with the media, e.g. Radio Bristol and The Post, paying special attention to ensuring that supporter liaison work and fans in general are accurately portrayed in the media.

City's SLO should contact the SLO of the other club before a game to exchange information of relevance to fans.

City's SLO should attend relevant national and regional meetings of the Football Supporters Federation and Supporters Direct (SD), being present as a very minimum at the organisations' annual Supporters Summit.

City's SLO should act as a point of liaison between club officials and supporters facing a possible stadium ban and ensuring on the supporter's behalf that due process is followed and that the supporter is made aware of his/her rights, including in respect of representation and appeal.

City's SLO should assist supporters groups with the staging of supporter events, e.g. by arranging for the presence of club staff and/or players.

City's SLO should communicate/network with the SLOs of other clubs, attending regional and national meetings.

City's SLO should attend without fail all SLO training meetings organised by e.g. SD, the FA or Football League.

Appendix 3 - Structured Dialogue

Memo of understanding

Parties

The parties to this Memorandum of Understanding ("MOU") are:

1. [INSERT LEGAL NAME OF SUPPORTERS TRUST] (also known as [NAME] Supporters' Trust) a community benefit society registered with the Financial Conduct Authority (FCA) with number [INSERT REG. NUMBER] whose registered address is [INSERT REGISTERED ADDRESS] ("the trust")
2. [INSERT LEGAL NAME OF FOOTBALL CLUB] (also known as [INSERT CLUB NAME] a [INSERT LEGAL ENTITY, NUMBER AND REGISTERED ADDRESS] ("the club")

Background

- a) As part of the Government Expert Working Group on Football Supporter Ownership and Engagement from the start of the 2016/17 season it is a requirement for all EPL and EFL clubs to meet structured dialogue commitments, with the National League due to follow a similar path for 2017/18.
- b) The minimum level of commitment is for senior Club representatives (owners, directors, senior executive management) to meet with a representative group of supporters, that must include the Supporters Trust, at least twice a year.
- c) The matters for discussion will often be of a strategic nature and may relate to the management and day to day running of the club
- d) Where meetings are not open to all supporters wishing to attend, the supporter representatives must be elected, selected or invited in line with basic democratic principles; and individuals cannot be excluded by the Club without good reason (the Club acting reasonably).

This is not a legally binding document or contract but it is a statement of the principles that the trust and the club subscribe to, to create an effective, mutually beneficial, structured communication channel.

The trust will:

- 1) Be properly incorporated and constituted with a democratic 'one member one vote' democratic governance structure, filing annual returns with the FCA, and offering an open and affordable membership to any supporter of the club
- 2) Consult with its membership regularly on issues of importance particularly ahead of structured dialogue meetings with the club.
- 3) Liaise with other supporters' groups and stakeholders on suitable topics for discussion ahead of structured dialogue meetings, respecting other existing communication and supporter dialogue structures that exist between supporters and the club.
- 4) Send suitable non-conflicted people who understand their role as representatives for supporters, not just to voice their own views

The club will:

- 1) Provide a suitable level of financial information split into appropriate categories and with a level of detail that builds trust and understanding of how the club is being run
- 2) Use the structured dialogue format to consult about significant decisions such as any permanent ground move, change of club badge or substantial change to club colours.
- 3) Use the meetings to discuss wider league/national consultation that will affect supporters
- 4) Take the opportunity to discuss any potential ownership changes including future opportunity for supporters to invest in their club
- 5) Not exclude individuals without good reason
- 6) Send suitable senior club representatives who have the appropriate knowledge of the club and decision making authority

Both parties will:

- 1) Agree agenda items in a timely manner, circulating sufficient supporting information to be read ahead of the meeting.
- 2) Respect that some items may be sensitive and deemed confidential, with an agreed protocol about how they should be reported
- 3) Publish minutes agreed by both parties in a timely coordinated manner
- 4) Share key contact information including roles and decision-making powers
- 5) Ensure the meeting is 'structured' so that any topics that either party wants to discuss can be done so in an appropriate environment.

Each party hereby confirms its agreement to the terms contained in this memorandum of understanding.

Signed on behalf of the trust:

Name:

Position:

Date:

Signed on behalf of the club:

Name:

Position:

Date:

Appendix 4 - Structured Dialogue

Exeter City legal agreement

THIS AGREEMENT is dated 2016

PARTIES

1) **EXETER CITY A.F.C. LIMITED** ("The Club") of St James Park Stadium Way Exeter EX4 6PX

2) **EXETER CITY AFC SUPPORTERS SOCIETY LIMITED** ("The Trust") of St James Park Stadium Way Exeter EX4 6PX

The parties have agreed to enter into this agreement for the purpose of regulating the involvement of the Trust in the governance of the Club.

DEFINITIONS

"The Club" means the private company limited by shares incorporated and registered in England and Wales with company number 00097808.

"The Trust" means the Registered Society incorporated under the Cooperative and Community Benefit Society Act 2014 with registered number 29339R.

"Director" means a Director of the Club according to law and its Articles of Association.

"Club Board" means the Board of the Club, not including any Associate Directors from time to time in office.

"Trust Board" means the Board of the Trust, including any co-opted members from time to time in office.

AGREED TERMS

1. INTERPRETATIONS

Clause headings do not affect the interpretation of this agreement.

A reference to a person includes a natural person or a corporate or unincorporated body (whether or not having a separate legal personality).

A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or reenactment, and includes any subordinate legislation for the time being in force made under it.

A reference to writing or written includes e-mail.

Words in the singular include the plural and in the plural include the singular, where appropriate.

Any words indicating any specific gender shall not be regarded as exclusive to that gender.

2. MATTERS WHICH REQUIRE THE PRIOR WRITTEN CONSENT OF THE TRUST

The Club shall not take any action nor pass any resolution without the prior written consent of the Trust Board in any matter that pertains or relates to:

- a) the total number of shares or rights attaching to such shares;
- b) approval of new issue of shares;
- c) subject to the appropriate authority from the shareholders, the allotment of un-issued shares in the capital of the Club;
- (ii) a) any change in stadium location or name;
- b) any change in the badges, logos or other devices used in the signage, publications, advertising, promotional material, affiliated teams or other branding of the Club;
- c) the colours and styles of the Club's home playing strip;
- (iii) any change in the name or nickname of the Club or team or its status with the Football Association or English Football League;
- (iv) purchase or disposal of any land or buildings or interest therein owned by the Club with a market value in excess of £25,000;
- (v) the taking of, granting, assignment or sale of any lease or interest therein with a duration in excess of 5 years;
- (vi) a) any borrowing against the security of any asset owned by the Club or any lease held by the Club in excess of £50,000 in any 12 month period;
- b) any unsecured borrowings;
- (vii) contracts at a cost to the Club of £50,000 or over per annum or in total, including management staff but excluding players' contracts;
- (viii) approval of all dividends, dividend policy and decisions on withholding dividends (deciding

- not to pay a previously approved dividend payment);
- (ix) approval of the recommendations for the appointment or removal of Club Board members (Directors);
- (x) responsibilities / Job Description of the Chairman, Chief Executive (or equivalent) and other Directors;
- (xi) approval of terms of reference of Club Board committees;
- (xii) changes to the Club's or any associated company's Memorandum and Articles of Association;
- (xiii) approval of the Club's and any subsidiary or associated company's Ticket pricing, Budgets, Strategic Plans and Business Plans;
- (xiv) approval of changes to the capital structure of the Club or associated company or its / their legal status;
- (xv) the incorporation of any new subsidiary or associated company;
- (xvi) 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;
- (xvii) the passing of a resolution for the winding up of the Club;
- (xviii) the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor;
- (xix) approval of borrowings save for those agreed in the ordinary course of trade.

3 DIRECTORS AND MANAGEMENT

Appointment and Reappointment of Directors

- 3.1 The appointment or reappointment of any person who is willing to act as a Director (and is permitted by law, and by any specific regulatory body applicable, to do so) shall first be recommended by the Club Board.
- 3.2 Three months before the date set for the Club's AGM the Trust Board shall receive notification of

those Directors to be presented for appointment or reappointment at that meeting. Those Directors shall at least six weeks prior to the date of the meeting provide to the Trust Board a resume of their activities and achievements during their term of office or, if the Director is being presented for appointment, their CV. This submission shall be confirmed as true and fair by the Club Board Chairman in office at that date.

- 3.3 The named Directors shall, if required to do so, attend in person a Trust Board meeting in advance of the Annual General Meeting.

Trust nominated Directors

- 3.4 The Trust shall be entitled to appoint at least half of the Directors to the Club Board, and can remove and reappoint any Director so appointed at any time.

A Director shall be appointed for a maximum period Of three years. They shall be entitled to immediately be reappointed should the Trust Board so resolve.
- 3.5 The appointment or reappointment of the Trust nominated Directors will be confirmed annually at the first meeting of the Trust Board following the Trust AGM. To facilitate continuity of membership on the Club Board the Trust nominated Directors will not ordinarily be changed from year to year within their three-year term unless the nominated Director's term of office on the Trust Board comes to an end or, having been eligible to do so, he fails to be re-elected to the Trust Board at the Trust AGM.

Associate Directors

- 3.6 The Club Board may appoint two non-voting Associate Directors who shall be appointed for a fixed term (subject to review if appropriate) of no more than one year. For clarity the number of Associate Directors shall not exceed two at any one time and they shall not count towards the calculation of whether or not the Board is quorate.

Attendees

- 3.7 The Club Board may invite whoever it shall deem fit to enable it best to proceed to attend the part/s of any Board Meeting appropriate to the skills/ knowledge of that individual.

Quorum for Board Meetings

- 3.8 The quorum for Board meetings shall be four at

least half of whom must be Directors nominated by the Trust

4. CORPORATE GOVERNANCE MANUAL

- 4.1 The Club shall prepare, maintain and adhere to a Corporate Governance Manual ("the Governance Manual") the contents of which shall be approved in advance by the Trust.
- 4.2 The operation of the Governance Manual and the Club's performance against it shall be reviewed annually by the Trust Board.
- 4.3 The Club shall not amend or set aside any part of the Governance Manual without prior approval of the Trust.

5. COMMUNICATION BETWEEN THE CLUB AND TRUST

- 5.1 It is the responsibility of both the Club Board and the Trust Board to ensure that there is effective communication at all times between them.
- 5.2 The two Boards shall meet at least twice a year to review the operation of communication between the two parties.

6. TERMINATION

- 6.1 This agreement terminates immediately upon the occurrence of any of the following events:
 - a) The agreement of both parties; or
 - b) the passing of a resolution for the winding up of the Club; or
 - c) the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor.
- 6.2 Termination of this agreement shall be without prejudice to the rights or obligations of either party accrued prior to such termination, or under any provision which is expressly stated not to be affected by such termination including in respect of any prior breach of this agreement.
- 6.3 Following the passing of a resolution for the winding-up of the Club, the Trust shall endeavour to agree a suitable basis for dealing with the interests and assets of the Club and shall endeavour to ensure that:
 - a) all existing contracts of the Club are performed so

far as resources permit;

- b) no new contractual obligations are entered into by the Club; and
- c) the Club is wound up as soon as practicable.

7. STATUS OF THIS AGREEMENT AND THE PARTIES' OBLIGATIONS

The Trust shall exercise all voting rights and other powers of control lawfully available to it as a shareholder of the Club so as to procure that, at all times during the term of this agreement, the provisions of this agreement are duly and promptly observed and given full force and effect according to its spirit and intention.

If any provisions of the Articles of Association of the Club at any time conflict with any provisions of this agreement, this agreement shall prevail as between the parties to it and the Trust shall, whenever necessary, exercise all voting and other rights and powers lawfully available to it as a shareholder of the Club so as to procure the amendment, waiver or suspension of the relevant provision of the Articles of Association to the extent necessary to permit the Club and its affairs to be administered so long as any such departure is permitted by law.

8. CONFIDENTIALITY

Each party to this agreement undertakes that he shall not at any time after the date of this agreement (or, if later, the date he became a party to it) use, divulge or communicate to any person (except to his professional representatives or advisers or as may be required by law or any legal or regulatory authority) any confidential information concerning the terms of this agreement, the business or affairs of either the Club or the Trust which may have (or may in future) come to his knowledge, and each of the parties shall use reasonable endeavours to prevent the publication or disclosure of any confidential information concerning such matters.

9. NOTICES

Any notice given under this agreement shall be in writing and shall be delivered by hand, transmitted by fax, or sent by pre-paid first class post or recorded delivery post to the address of the party as set out in this Agreement, or to such other address notified to the other parties. A notice delivered by hand is deemed to have been received

when delivered (or if delivery is not in business hours, 9.00 am on the first Business Day following delivery). A correctly addressed notice sent by pre-paid first class post or recorded delivery post shall be deemed to have been received at the time at which it would have been delivered in the normal course of post.

10. SEVERANCE

If any provision (or part of a provision) of this agreement is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force.

If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

11. VARIATION AND WAIVER

Any variation of this agreement shall be in writing and signed by or on behalf of all the parties for the time being.

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

Unless specifically provided otherwise, rights and remedies arising under this agreement are cumulative and do not exclude rights and remedies provided by law.

12. ASSIGNMENT

No person may assign, or grant any encumbrance over, or deal in any way with, any of his rights under this agreement or any document referred to in it, or purport to do any of the same, without, in each case, the prior written consent of all the parties for the time being.

Each entity that has rights under this agreement is acting on his own behalf.

13. ENTIRE AGREEMENT

This agreement constitutes the whole agreement between the parties and supersedes any previous arrangement, understanding or agreement

between them relating to the subject matter they cover.

Each party acknowledges that, in entering into this agreement, he does not rely on, and shall have no remedy in respect of, any statement, representation, assurance or warranty of any person other than as expressly set out in this agreement or those documents.

14. THIRD PARTY RIGHTS

A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

15. COUNTERPARTS

This agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of that agreement, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

16. GOVERNING LAW AND JURISDICTION

This agreement and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of England.

The parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including noncontractual disputes or claims).

17. EFFECT

This agreement has been entered into on the date stated at the beginning of it and takes effect immediately.

Signed by

FOR AND ON BEHALF OF EXETER CITY A.F.C. LIMITED

And by

FOR AND ON BEHALF OF EXETER CITY AFC
SUPPORTERS SOCIETY LIMITED

Appendix 5 - Structured Dialogue

Supporter Director Role Profile

| | |
|-------------------------|--|
| Key tasks | <ul style="list-style-type: none"> • Represent the Supporters Trust membership at Football Club board level • Build and sustain a credible and beneficial relationship between the Football Club and supporter base • Ensure the views, interests and aspirations of both Supporters Trust members and the wider fan base are taken into account • Assist the Football Club to raise the profile of the Club within the community • Assist the Football Club to grow the supporter base • In conjunction with the Football Club board, ensure as much information as possible is shared with Supporters Trust members and the wider fan base • Discuss issues raised at the Football Club board level with the Trust board members and ensure that their views are heard in the boardroom |
| Key requirements | <ul style="list-style-type: none"> • Be a full member of the Supporters Trust and ideally to have sat on the Trust board for at least 12 months • Fit and proper person within the terms of the Companies Act • An understanding of the history and spirit of the Football Club • An understanding of the issues faced by supporters • Commitment to attend Football Club board meetings and report back to the Supporters Trust board • Commitment to regularly meet with and consult the wider fan base • Commitment to support all motions and initiatives undertaken by the Supporters Trust board • Commitment to the values, principles and objects of the Supporters Trust • Recognise and honour commitment to board room confidentiality when appropriate • Attendance at matches both home and away where possible • Read all board papers carefully and seek clarification of anything you don't understand • Demand a suitable level of financial information about the Football Club is made available at every meeting <p><i>The point at which the courts usually look at whether directors have acted properly is when a company or trust becomes insolvent. The Insolvency Act 1986 sets out the standard which is expected of directors in this context.</i></p> <p><i>They have to know or ascertain the things which would be known or ascertained by a reasonably diligent person and reach the conclusions or take the steps which would be reached or taken by a reasonably diligent person. In each case, the reasonably diligent person is taken to have both:</i></p> <ul style="list-style-type: none"> • the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the Football Club; and • the general knowledge, skill and experience that director has <p><i>The Courts have decided that this is the standard which applies to all company directors and it will follow that the same standard applies to directors of a Supporters Trust.</i></p> <p><i>This means that there is a basic level of competence which is required of anyone who takes on the role of director of a Football Club or a Supporters Trust. It would not be a defence to a claim of incompetence to say "I am an idiot and have acted as an idiot". The legal position is that if you are an idiot you should not take on the role of a director.</i></p> |

| | |
|--------------------------------------|--|
| Example discussion topics | <ul style="list-style-type: none"> • Operational performance and strategy • Decision making process • Supporter consultation • Heritage items • Joint supporter/club projects • Developing and growing the supporter base • Ticket pricing and allocation • Community identity |
| Reporting and confidentiality | <p><i>If the Supporters Trust owns shares in the Football Club it is entitled to information as a shareholder, and if it has a controlling shareholding it can compel the Football Club to provide broadly what it wants.</i></p> <p><i>This does not mean, though, that you can pass on everything you hear. Your duties as a director of the Football Club are the same whatever shareholding the Supporters Trust has and the information you get as a director about the affairs of the Football Club belongs to the club; you would be in breach of your fiduciary duties if you passed it on to anyone outside the club.</i></p> <p><i>To complicate things further, there might be situations in which you knew things as a director of the Football Club which you ought to disclose to the Supporters Trust. In that situation you could be in breach of your duty to the club if you passed the information on and in breach of your duty to the trust if you didn't.</i></p> <p><i>The answer to all this is that you should agree with the Football Club and the Supporters Trust what information will generally be passed on and how.</i></p> <p><i>You will need to deal on an individual basis with potentially sensitive issues; if you can't agree with the Supporters Trust that you won't pass information on or with the Football Club that you will, the best thing is to absent yourself from the discussion of the issue at the Football Club board.</i></p> |
| Qualities and skills required | <ul style="list-style-type: none"> • Ability to communicate with supporters to ensure their opinions are known and heard • Ability to share supporter's views and aspirations with the Football Club Directors • Integrity and honesty • Confidentiality • Confidence • Be articulate • Strategic thinker • Media skills • An awareness of business management relating to the Football Club i.e. marketing, PR, finances etc. |
| Responsible to | <ul style="list-style-type: none"> • The Supporters Trust board • The Supporters Trust membership • The Football Club board <p><i>You have to remember that you have two separate roles.</i></p> <p><i>When you are acting as a director of the Supporters Trust you have to act in the interests of the Supporters Trust and when you are acting as a director of the Football Club you have to act in the interests of the Football Club. Tricky questions are most likely to arise in your role as a director of the Football Club. The key point is that even though you have been appointed as a representative of the Supporters Trust you still have an absolute duty to act in the interests of the Football Club.</i></p> |

| | |
|-------------------------------|--|
| Financial implications | <ul style="list-style-type: none"> You need to be aware of your fiduciary duties <p><i>You cannot put your hand in the till or divert money or opportunities to yourself.</i></p> <p><i>The basic principle is that, because you are dealing with someone else's assets, you have to act in their interests rather than anyone else's (including, in particular your own). Everything you do must be directed towards enabling the Supporters Trust or Football Club to carry on doing what it is set up to do under its constitution</i></p> |
| Time commitment | <ul style="list-style-type: none"> Need for flexibility on timing and availability The workload for this post and that of Supporters Trust board member will require a significant time commitment |
| Nomination process | <p>To be eligible for nomination for Fans Elected Director (FED) ideally the candidate must:</p> <ul style="list-style-type: none"> have been a member of the Supporters Trust Board for at least 1 (one) year. <p>or</p> <ul style="list-style-type: none"> have been a member of the Supporters Trust for at least one year and his/her nomination be approved by a minimum of 75% of the Supporters Trust Board in a closed ballot. If elected, the candidate will become a member of the Supporters Trust Board agree to carry out the responsibilities and activities outlined in the FED Remit. not have been disqualified by a court from acting as a Company Director (unless he or she has been given leave (permission) to act by a court for a particular company. not be an undischarged bankrupt (except with leave of the court). supply a statement (of between 300 and 600 words) of why they believe they should be elected as FED. |
| Term of office | To be decided by the Supporters Trust in conjunction with the Football Club board. |

Appendix 6 - Supporter Director

Bees United code of conduct for Supporter Director on the Club Board

1. The person(s) chosen by the Trust's members to serve on the board of directors of the football club ('the supporter director') will :

- (i) Be a paid up member of the Trust.
- (ii) Be an elected member of the Trust board nominated by its members or directly elected by the members of the Trust in accordance with the electoral procedure adopted by the Trust.
- (iii) Abide by the majority vote of the Trust board [or Trust membership] so far as their duties to the club allow.
- (iv) Submit to re-election/re-appointment every 3 years in accordance with the policy of the Trust.
- (v) Not be obliged to disclose the following information to club directors or officials without the express permission of the Trust board :
 - a. The Trust's financial position, including individual members' contributions, assets, and levels of income.
 - b. Matters deemed confidential by the Trust board.
- (vi) If required to do so by the Trust, represent the Trust in association with the club board in their dealings with football authorities, local and central government.

2. The club will:

- (i) Give adequate notice of all board meetings and ensure that the supporter director is provided with sufficient information to enable him/her to participate on an equal footing with other directors.
- (ii) Ensure that the supporter director is entitled to the benefit of any indemnity and/or directors liability insurance enjoyed by other directors through the club.
- (iii) Not unreasonably restrict the supporter director in reporting back to the Trust the deliberations and decisions of the board of directors, and the matters to be discussed at forthcoming meetings of the board. This will enable the supporter director to canvass the views of the Trust board, subject to the provisions outlined below, that are incumbent on all directors.

3. All directors undertake to:

- (i) Abide by the club's memorandum and articles of association, and to any regulatory code adopted by the club.
- (ii) Abide by the responsibilities of directors as laid down in the relevant statutes, and any regulatory code adopted by the club.

- (iii) Accept the majority vote of the board and work on a principle of collective responsibility, whereby all decisions of the board properly reached shall be deemed to be club policy. As such, it is incumbent upon all directors to represent that policy faithfully both in respect of their duties and responsibilities within the club and to external parties, unless the board vote to suspend operation of this policy in a particular matter.
- (iv) Not disclose any confidential information to any other person without the prior authority of the board of directors.
- (v) Devote sufficient time and attention to the club to fulfil their duties as a director.
- (vi) Attend meetings of the club board, and not be absent without good reason.
- (vii) Not receive remuneration from the club except re-imbursement of reasonable expenses, including travelling expenses, while conducting business for the benefit of the club, other than via an open and published remuneration policy operative at the club.
- (viii) Represent the club in their dealings with football authorities, local and central government.
- (ix) Declare all personal or material interests where there may be a conflict of interests to the board. For the avoidance of doubt, a director's interest shall be deemed to include interests of members of his/her family, or interests of those with whom a director has an existing interest.
- (x) Not be subject to a bankruptcy order or have in place a composition with their creditors;
- (xi) Not be subject to a disqualification order made under the Company Directors Disqualification Act;
- (xii) Not have a conviction for an indictable offence (other than a spent conviction as defined by the Rehabilitation of Offenders Act 1974);
- (xiii) Not be, on the basis of medical evidence, suffering from mental disorder.
- (xiv) Not be subject to a ban from a Sports Governing Body relating to the administration of that sport
- (xv) Not have been a director of a club that has been in administration twice during a five-year period or a Director of two different clubs that have each gone into administration in a five-year period. I have read and understood the above code of conduct and agree to abide by these terms throughout my tenure of office.

Appendix 7 - Supporter Ownership

Shareholders Rights

| Shareholding | Rights | Notes |
|---------------|---|---|
| 1 share | Attend AGM Receive Reports and Accounts | Rights are being diminished by changes in Company Law that will no longer require small companies to have AGM's. |
| 10% | Convene an Extraordinary General Meeting (EGM) | The company must comply with this request. This can be useful for calling directors to account for very contentious decisions such as the sale of the football stadium. |
| 25% + 1 share | Enough to block changes to Articles of Association. | Gives the shareholder a great deal of influence over the strategy of the club unless there is a bigger shareholder. Considered an effective defensive share position. |
| 30% | Must make bid for Public Company. | In a public company (Plc) any single investor owning 30% is considered to have effective control of the company as there are usually numerous small shareholders. The law therefore demands that the shareholder must make an offer to buy all the other shareholders shares at a fixed price. This is not applicable to private companies (Ltd.) |
| 50% + 1 share | Effective control of the company. Appoint Directors without reference to others. | This doesn't give the shareholder complete control however, as they cannot make any rule changes without the agreement of others. |
| 75% + 1 share | Amend Articles of Association without reference to others. | A shareholder effectively has total control over the company and can amend rules, knowing that no other shareholders can block this. |
| 90% + 1 share | Complete control of the company | This level of shareholding blocks even the mildest form of accountability as no other group of shareholders can convene an EGM. |

Notes



SD

supporters direct

