



28th August 2014

GOVERNANCE WORKING GROUP REPORT

Proposed New PST Constitution and Side Policies

1

TABLE OF CONTENTS	PAGE
1. Introduction	3
2. Terms of Reference	4
3. Governance Matters and Motions	5
3.1. Election Policy ⁽¹⁾	5
3.2. Disciplinary Policy ⁽²⁾	10
3.3. PST Board Membership and Conduct Policy ⁽³⁾	13
3.4. PST Board and Club Board Policy ⁽⁴⁾	20
3.5. New Model Rules - Proposed PST Constitution 2014 ⁽⁵⁾	22

APPENDICES

1. PST Election Process Review [Introduction Paper]	46
2. Text for AGM Presentation. [Paul Williams, Sue Maskell & Mike Fulcher]	48
3. Report from the Chairman to the AGM 23 rd September 2013	50
4. Governance Working Group Report - 23 rd January 2014	52
5. Extract from PST Board Minutes - 31 st March 2014	54

Notes on the New PST Constitution and Side Policies

1. Election Policy: Agreed at PST Board 7th July 2014. Approve on 29th September 2014.
2. Disciplinary Policy: Agreed at PST Board 27th January 2014. Approve on 29th September 2014
3. PST Board Membership and Conduct Policy: Agreed 7th July 2014. Approve on 29th September 2014
4. PST Board and Club Board Policy: Agreed 7th July 2014. Approve on 29th September 2014
5. New PST Constitution: Agreed at the PST Board 7th July 2014. Approve on 29th September 2014

1. INTRODUCTION

The AGM held on the 23rd September 2013 considered two orders of business;

Ordinary Business: To receive and consider the report of the Society Board and the statement of accounts of the Society for the period ended 31st March 2013. To receive the results of the election of members of the Society Board; and to elect Taylor Cocks of 3 Acorn Business Centre, Northharbour Road, Cosham, Portsmouth, PO6 3TH as auditors for the ensuing year and to authorise the Society Board to fix their remuneration.

Special Business [Motion: 2.1]: To consider, if thought fit, and pass the following motion by Special Resolution: “THAT the Society shall adopt the following additional Rules which shall be inserted after existing Rule 30 with the rules following the insertion being renumbered accordingly:

31. The Society shall appoint three Directors (“Directors”) of Portsmouth Community Football Club Limited (Company Number 7940335) (“PCFC”) or such other number as may be agreed with the other shareholders of PCFC from time to time and shall appoint alternate directors for each.
32. Each appointment shall be for a period stipulated by the Board but any Director shall immediately resign if he or she is required to under Rule 38, or shall cease to be a member of the Society Board or a member of the Society.
33. No person shall be appointed a Director unless he or she has the relevant experience or qualifications to fit him or her as a Director of a public company nor if he or she is disqualified from being a member of the Society Board under Rule [65].
34. A director shall act without pay from PCFC, in good faith, in accordance with the Society's Rules and policies and shall comply with directions given by the Society Board.
35. A director shall attend all meetings of the PCFC Board so far as reasonably practicable and if he or she is unable to attend shall give reasonable notice to his or her alternate to attend in his or her place.
36. A director may withhold commercially confidential information from the Society Board provided to do so is not in conflict with the Society's Rules.
37. Each director shall promote the objects of the Society and transparency within PCFC.
38. Rules [66], [67], and [70] shall apply to each Director as though the word “Director” were read instead of “Society Board member” save in the case of Rule [67b] where the second reference to “Society Board members” shall remain unaltered.”

REASON

The existing Rules do not provide for the ownership of the Football Club and the right of the Trust under the Shareholders Agreement to appoint not more than three Directors. These Rules set out how they shall be appointed, what their duties are and how they must balance the requirements of the Club and the Board. References to the numbering of Rules are to current Rules and will be changed if the Resolution is passed (Williams & Maskell, 23.9.13). See new PST Constitution [Rule 26.3] and PST Board and Club Board Policy (p.20).

Special Business [Motion: 2.2]: To consider, if thought fit, and pass the following motion by special resolution: “that PST Board should be tasked to come up with a new “fit for purpose” Election Policy so that it is in place [...] before the 2014 Elections after consultation with the Membership.”

REASON

The new reality of PST as the majority shareholder in Portsmouth Community Football Club, means that a PST Trust Board Member could serve as a Director of the Football club. With this in mind it is paramount that the best possible candidates are elected by the Trust membership to the PST Board. The current Trust Election process does not allow for Trust members to ask candidates about their views and experience. It also does not allow candidates to explain to Trust members what their views and ambitions for the future of the Trust are. It is our view that the current PST Board Election process needs to be changed to give us the best chance of achieving that end (23.9.13).

Hence, the membership tasked the PST Board with devising a new 'fit for purpose' Election Policy. The AGM also made clear that the 'Rules and Election Rules are no longer fit for a Trust with a substantial stake in the ownership of the club'. The PST was also asked to consider 'new model rules' and side policies from Supporters Direct by way of a 'new constitution' to capture the changing responsibilities of the PST as a major shareholder in Portsmouth Community Football Club. The PST was subsequently mandated to set up a sub-committee [Governance Working Group] to amend and review, in a democratic and consultative way; Motions 2.1, 2.2; the PST Board and Club Board Policy; PST Board Membership and Conduct Policy; and Disciplinary Policy. The sub-committee [GWG] is required to produce draft report [herewith] with recommendations; consult the membership, and then convene an EGM of the Trust to approve 'new Rules'⁽¹⁾ and policy changes on or before the 2014 Annual General Meeting.

2. TERMS OF REFERENCE: PST GOVERNANCE WORKING GROUP (GWG)

Purpose

The purpose of the GWG is to improve the rules and policies of PST so that Portsmouth Football Club can grow and thrive as a supporter owned club.

4

Background

The GWG was formed following the PST AGM where two governance related motions were agreed by the membership (see appendix 1). These have all been passed to the GWG for consideration.

Membership of the Group

Following the motions at the PST AGM in 2013 the PST Board authorised a working group to consider the rules and policies of the PST and asked for members to put themselves forward to contribute. This resulted in Jo Collins, Stuart Crow, Mike Fulcher, Stuart Hardman, Sue Maskell and Paul Williams putting themselves forward from the PST membership alongside two [2] elected PST Board Members - Mark Farwell and Ken Malley; and Tony Foot (Society Secretary). James Mathie, Club Development Manager from Supporters Direct was approached to contribute to the GWG as an advisor. His time is being subsidised thanks to a grant from the Co-op Enterprise Hub.

Method

The GWG will review the current rules and policies of PST, particularly in light of;

- The changing responsibility of PST as majority owners of Portsmouth FC.
- New 'model' rules and side policies from Supporters Direct, the umbrella body for Supporters Trusts being introduced.

The GWG will then;

1. Any Rule changes agreed by the PST membership will need to be registered with the Financial Conduct Authority by the PST Secretary; and changes to policy should be approved by the membership [new Rule 97].

- Produce a draft report with recommendations of changes to present to the PST Board.
- Consult with members on the recommendations in the draft report.
- Agree a final draft to be put to the PST Board, and then put to the PST Membership at an SGM or AGM to vote on any recommendations/rule changes (any rule changes that are agreed by the membership will need to be registered with the Financial Conduct Authority by the PST Secretary).

Sharing of Information - Shareholders Agreement

GWG members have been advised that the Shareholders Agreement is a confidential document so disclosure to the GWG will be made on strict conditions of confidentiality. Members of the GWG will;

- Not disclose any of its contents to anyone else, without prior written consent from Tony Foot of the GWG naming the proposed recipient and the purpose for disclosure.
- Use it purely for the exercise in hand.
- Not permit in any way its disclosure.
- Ensure the proposed recipient accepts the same terms before disclosure.

Any breach could lead to legal action from the shareholders. All members of the GWG are aware that they need to accept these terms of the shareholders agreement will have to be withheld from all members of the GWG.

Timescale/Steps

1. We are aiming to produce a report with draft recommendations to present to the PST Board by 27th January 2014.
2. Once the draft recommendations have been agreed between the GWG and the PST Board, we will circulate to PST members inviting them to a consultation meeting to discuss the draft.
3. A final draft will then be prepared by the GWG and put to the PST Board.
4. This will be put to the PST Membership at an SGM or AGM to vote on any recommendations/rule changes.

3. GOVERNANCE MATTERS AND MOTIONS

At the AGM the Membership gave the Trust Board a clear mandate to review the Election Policy to ‘ensure that all elements of the election process are as “fit for purpose” as possible bearing in mind the new reality of PST and the potential responsibilities of its elected Board Members’.

3.1. ELECTION POLICY

At the AGM the Membership gave the PST Board a clear mandate to review PST Election Policy and procedure ‘to ensure that all elements of the election process are ‘fit for purpose’ [...] bearing in mind the new reality of PST and the potential responsibilities of its elected Board Members’. The Governance Working Group [GWG], a sub-committee of the PST Board, reviewed six key aspects of PST Election Policy: (1) Election Control. (2) Time Table (3) Nominations and Eligibility. (4) Statements and Campaigning. (5) Appeal Process, and (6) Result. Paul Williams proposed the following motion [seconded by Sue Maskell] at the PST AGM on the 23rd September 2013;

“that PST Board should be tasked to come up with a new “fit for purpose” Election Policy so that it is in place before the 2014 Elections after consultation with the Membership.” [Carried]

The GWG subsequently met on the 2nd November 2013 to discuss and review the Election Policy produced by Supporters’ Direct. In discussion GWG agreed 3.1, 4.1 [subsequent to agreement from the PST Board on the 7th July 2014], 4.3, 5, 6.1, 7.7.1. There was some disagreement about hustings and the use of social media in election campaigns, but subsequently resolved with reference to Rule 7.4 and 7.9. The Election Policy was approved [unamended] at the PST Board meeting held at Fratton Park on the 7th July 2014. The PST Board recommends the Election Policy to the membership.

3.1.1 ELECTION POLICY [PORTSMOUTH SUPPORTERS’ SOCIETY LIMITED]

1. Introduction

- 1.1. This document is drafted in accordance with the New Model Rules of Portsmouth Supporters Society Limited adopted pursuant to a resolution of the Society at a General Meeting held on 29th September 2014 and the Best Practice guidance issued by Supporters Direct. The purpose of the Election Policy is to ensure that the elections for the Society Board members are conducted in a democratic and unbiased manner and the process and results are accepted as free and fair by all participants.

2. Definitions

- 2.1 “AGM” means the annual general meeting of the Society.
- 2.2 “Election Period” means the period from the date each year on which the Secretary issues nomination forms to Members until 3 days after the announcement of the result of the election to which the nomination forms relate.
- 2.3 “Member(s)” means a member(s) of the Society.
- 2.4 “Society Board Member(s)” means an elected or Co-opted Member(s) of the Society.
- 2.5 “Election Policy” means the terms and conditions laid out in this document.
- 2.6 “EMG” means the Election Management Group.
- 2.7 “Board Membership and Conduct Policy” means a detailed set of rules and regulations of the Society set out in a separate policy statement.
- 2.8 “Co-opted Member(s)” means a person(s) who has/have been elected to the Society Board by Society Board Members but not elected by the Members.
- 2.9 “Rules” means the rules and regulations of the Society laid out in the separate Rules document.
- 2.10 “Secretary” means the Secretary of the Society.
- 2.11 “Society” means Portsmouth Supporters’ Society Limited (also known as Pompey Supporters Trust).
- 2.12 “Society Board means the elected Board of the Society including any Co-opted Members.

3. Election Control

- 3.1. In advance of the commencement of the election, the Society Board will appoint members of the Society (who may not include serving Society Board Members) to form the EMG. This group shall be chaired by an independent person who is not a member of the Society. The Secretary may be a member of this group. In the event that it is not possible to agree the identity of the Independent chair, Supporters Direct will select the Independent chair.
- 3.2. No Society Board Members whose positions are due to be offered for election shall play any part in determining the composition of the EMG or any aspect regarding the conduct of the elections.
- 3.3. Members of the EMG shall not be eligible to nominate candidates nor be a candidate themselves and shall ensure that they are not associated closely with any candidates and have proper regard to maintaining the integrity of the election process.
- 3.4. During the Election Period the EMG will ensure that the election is run in accordance with this policy.
- 3.5. The EMG shall make the final decision as the eligibility of candidates, nominations and valid votes. They shall conduct the count and the result, as determined by them is final. Any decisions taken will be by majority vote and recorded. The Chair of the EMG shall have a casting vote in the event of a tie.

4. Timetable

- 4.1. The AGM will take place within the period laid down in the Society's Rules, and the exact date shall be decided by the Society Board by the end of the preceding financial year.
- 4.2. The Society Board shall agree the number of vacancies to be elected; if the number to be elected differs from the numbers elected in previous years, or changes the number of places to be elected in total on the Society Board, then the reasons why the change has been made shall be communicated to members in the form soliciting nominations. See Rule 63 of the PST constitution for the number of Board places available.
- 4.3. The Secretary will circulate a nomination form at least twelve weeks before the closure of the Election Period.
- 4.4. The Society Board shall ensure that the membership of the EMG has been agreed by the Society Board before the Secretary circulates nominations forms.
- 4.5. During the Election Period, the EMG shall manage the process, with the assistance of the Secretary as required.

5. Nominations and Eligibility

- 5.1. Any person wishing to be a candidate for election to the Society Board must be a fully paid-up member of the Society and be nominated by at least two fully paid-up members of the Society.
- 5.2. The EMG will verify that nominations are from members of the Society. Society members can nominate as many candidates as they wish.
- 5.3. A signed letter of nomination from a member, or an email from each of the addresses of the candidate and those members nominating that candidate have given the Secretary for receiving Society communications, are acceptable substitutes for a signature on the candidate's nomination form.

- 5.4. It is the candidate's responsibility to ensure that their nomination is valid and submitted in accordance with the election timetable. In order to ensure that candidates can confirm the validity of *their nominators or the persons nominating them*, the EMG and Secretary should arrange for candidates to be able to check in advance whether those nominating them are fully paid-up members.
- 5.5. Decisions over the validity of nominations shall be a matter for the EMG having due regard for the Secretary's assessment of the membership status of an individual nominating a candidate. Any decision by the EMG not to accept a nomination as valid should be notified to the candidate as soon as possible in order that the situation may be rectified or an appeal heard.
- 5.6. Candidates must also submit a statement in support of their nomination and may also submit a photograph for publication with their statement (see section 6 below for more details).
- 5.7. The names of those nominating candidates shall be appended to each candidate's statement.
- 5.8. By submitting a nomination, Candidates will be deemed to have accepted this Election Policy, the Society's Rules, and any other policies and rules adopted by the Society Board and the membership and agreed to be bound by them.
- 5.9. Specifically, candidates are also self-certifying that they comply with the Society Rules and Board Membership and Conduct Policy relating to eligibility to serve on the Board. In particular, no person can be a member of the Society Board:
 - (with the exception of Co-opted Members co-opted onto the Society Board under Rule 65 of the Rules) who ceases to be a Member of the Society;
 - who is subject to a bankruptcy order or has in place a composition with his/her creditors;
 - who is subject to a disqualification order made under the Company Directors Disqualification Act 1986;
 - fails to abide by any rules for the conduct of elections made by the Society Board;
 - who has a conviction for an indictable offence (other than a spent conviction as defined by the Rehabilitation of Offenders Act 1974);
 - in relation to whom a registered medical practitioner who is treating them gives a written opinion to the Society stating that they have become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - in relation to whom by reason of their mental health, a court makes an order which wholly or partly prevents them from personally exercising any powers or rights which that person would otherwise have.
- 5.10. All candidates shall leave full contact details with the EMG including email address.

6. Process

- 6.1. In the event of a contested election, members will have the option of casting the same number of votes as there are vacancies, with a maximum of one vote for each candidate.

- 6.2. Members may vote in the format required by the EMG by email or by post. Only one vote will be recorded from any registered email address.
- 6.3. In the event that any candidate shall withdraw during the Election Period any member who has already voted may withdraw his or her votes and vote again within the Election Period.

7. Statements and Campaigning

- 7.1. Campaigning under the auspices of the Society will start with the statements submitted by the Candidates.
- 7.2. All candidates' statements are to be sent by email to the relevant members of the EMG. These will be gathered together and issued with the ballot papers, and include the photograph (if submitted) of the candidate.
- 7.3. Candidate statements should be no longer than 1000 words. If a candidate's statement has more 1000 words, it will be truncated and text will be inserted below stating "The candidate's statement has exceeded the permitted amount and has therefore been truncated". The number of words counted shall be decided using Microsoft Word.
- 7.4. Candidates shall not in their statements make reference to other candidates or Society Board Members, make threats, insults or derogatory, abusive, racist, sexist or homophobic statements. The EMG will reserve the right to edit any statement to ensure that it does not breach these rules.
- 7.5. In agreeing to be nominated and so accepting this Policy, candidates shall agree to indemnify the Society for the cost of meeting any liability of the Society that may arise as a result of the contents of their statement.
- 7.6. During the election neither the EMG nor the Society Board may provide advice to voting members as to the suitability of any candidate nor issue any voting advice to members collectively. Individual Society Board Members who indicate a preference in public must make it clear that they do not speak on behalf of the Society Board and express a purely personal opinion.
- 7.7. After the publication and distribution of their statements, Candidates are encouraged to campaign actively using all and every means available (such as twitter, message boards etc).
- 7.7.1 The EMG will make every effort to ensure that Candidates are provided with every opportunity to campaign, and will be supported in this by the Society Board. Hustings, surgeries, programme articles, PA announcements, providing poster sites at the ground and publishing articles on the Society's website will all be considered by the EMG.
- 7.8. In order to ensure a level playing field for all candidates, the use of any club facilities not open to all Candidates is not allowed. For the avoidance of doubt, this does not apply in cases where hustings and other similar events are organised on dates at which not every candidate is able to attend. The EMG must endeavour to ensure maximum participation, but where candidates have other commitments which preclude their attendance, such events can still take place. The EMG will seek to give due notice of the hustings date to candidates.
- 7.9. Candidates will be responsible for the content of all and any publicity material or they produce, whether in print, digital or online formats. All campaigning

activity must comply with rule 7.4 above. Candidates planning to distribute leaflets should remember that many will end up on the floor, and should join in and encourage other supporters to help with any required clean-up operation.

- 7.10. Should any candidate come up with a new way of campaigning, he or she is encouraged to discuss it with the EMG before going ahead.
- 7.11. Candidates' campaigns are not to exceed a reasonable cost, which will be at the discretion of the EMG.

8. Appeals

- 8.1. Candidates or complainants shall raise matters with the EMG whose decision is final.
- 8.2. Complaints after voting has closed shall be made to the EMG not later than three working days after the close of poll. Any complaint received after this date shall be ruled out of order.
- 8.3. If any candidate should contravene the Election Policy, the EMG shall judge whether a disqualification should apply and their decision is final.
- 8.4. Any appeal against the decision of the EMG shall be made through and governed by the disputes procedure as set out in the Society Rules.

9. Results

- 9.1. The highest placed candidates in terms of total votes as equal to number of places available for election declared by the Society Board shall be deemed elected.
- 9.2. If there are as many or fewer candidates than there are places, an affirmative ballot shall be held at the AGM. Each successfully nominated candidate will be put before the meeting for the approval of members. Any candidate not receiving the support of more than half of those present in person and by proxy shall be deemed to have not been elected. The exception shall be that should the failure to elect any of the validly nominated candidates leave the Society Board below the minimum required under the Rules for them to act, all validly nominated candidates shall be deemed elected by the EMG and this declared at the AGM.
- 9.3. The result shall be communicated to members as soon as practicable.
- 9.4. Successful candidates shall become full Society Board Members upon receipt of their signed acceptance of the Board Membership and Conduct Policy.
- 9.5. The Secretary will issue the Board Membership and Conduct Policy to the successful candidates upon the result of the election and should any successful candidate not return the Board Membership and Conduct Policy duly signed in whichever way the Secretary asks for it to be returned within one calendar month, without an acceptable reason for the lateness in returning the document, the election of that candidate will be declared null and void and a vacant position will be created. For the avoidance of doubt, the onus for returning the signed Board Membership and Conduct Policy shall be on the successful candidate not the Secretary.

3.2. DISCIPLINARY POLICY

The Disciplinary Policy was approved by the PST Board meeting held at Fratton Park on the 27th January 2014. The PST Board recommends the Disciplinary Policy to the membership.

3.2.1 DISCIPLINARY POLICY [PORTSMOUTH SUPPORTERS' SOCIETY LIMITED]

1.0 Introduction

This document is drafted in accordance with the New Model Rules of Portsmouth Supporters Society Limited adopted pursuant to a resolution of the Society at a General Meeting held on 29th September 2014 and the Best Practice guidance issued by Supporters Direct.

The purpose of this policy is to ensure that:

- 1.1 Members agree to be bound by the rules of the Society which require that the conduct of members is not prejudicial to the Objects of the Society.

2.0 Definitions

- 2.1 "Member(s)" means a member(s) of the Society.
- 2.2 "Society Board Member(s)" means an elected Member(s) of the Society.
- 2.3 "Co-opted Member(s)" means a person(s) who is/are a Member(s) and has/have been elected to the Society Board by Society Board Directors but not elected by the Members.
- 2.4 "Board Membership and Conduct Policy" means a detailed set of rules and regulations of the Society set out in a separate policy statement which includes the procedure which should be followed in all cases relating to Society Board Members only.
- 2.5 "Disciplinary Offence" means a member has committed an Indictable Offence (as defined below at 2.6) or such act or deed which would adversely affect the reputation of the Society in accordance with 4.1 below.
- 2.6 "Indictable Offence" means a criminal offence (other than a spent conviction as defined by the Rehabilitation of Offenders Act 1974) for dishonesty, fraud or dealing in drugs.
- 2.7 "Disciplinary Policy" means the terms and conditions laid out in this document.
- 2.8 "Rules" means the rules and regulations of the Society laid out in the separate Rules document.
- 2.9 "Secretary" means the Secretary of the Society.
- 2.10 "Chair" means the elected chair of the Society Board.
- 2.11 "Society" means Portsmouth Supporters' Society Limited (also known as Pompey Supporters Trust).
- 2.12 "Society Board" means the Board of the Society including any Co-opted Members.

3.0 Co-opted Society Board Members

- 3.1 Co-opted Society Board Members may not serve on a disciplinary committee.

4.0 Procedure

- 4.1 Where any Member is deemed by a majority of the Society Board to have committed a Disciplinary Offence as defined in this document or has otherwise acted in a way which a majority of the Society Board believe is in contrast to the spirit of this document and/or the Rules, they shall be at liberty to constitute a Disciplinary Committee ("the Disciplinary Committee") to determine the facts relating to the matter and take such measures as the Committee sees fit. If the Society Board decides to constitute a Disciplinary Committee the Member(s) concerned will be suspended from membership of the Society and shall not be entitled to vote nor attend general meetings for the period of suspension.
- 4.2 The Disciplinary Committee will consist of the then Chair and Vice-Chair of the Society Board unless one or both of them is the subject of the disciplinary action, in which case another Society Board Member will be selected by the Society Board as Chair of the Disciplinary Committee. In addition up to 3 but no less than 2 other Society Board Members (who shall not be the subject of the disciplinary action) shall sit on the Disciplinary Committee. The Chair of the Disciplinary Committee shall have the casting vote if necessary.
- 4.3 Either the Society Board or the Member(s) who are the subject of the hearing may request for an independent member to join the Disciplinary Committee. The independent member will be selected on the basis of mutual agreement, and shall for the avoidance of doubt not be someone who has served with any of the subjects of the hearing on any board or committee, and shall ideally not be a member of the Society itself.
- 4.4 In the event that it is not possible to agree the identity of the independent member, Supporters Direct will select the independent member.
- 4.5 All members of the Disciplinary Committee shall treat its proceedings as confidential, unless the subjects of the hearing waive that right directly, or violate the confidentiality through making public comment about its proceedings.
- 4.6 All incidental expenses for independent members shall be met by the Society.
- 4.7 The Disciplinary Committee shall meet as soon as is practicable (where possible within 7 days) after the Society Board meeting which constituted the Disciplinary Committee and shall invite the member concerned to attend or submit his/her version of events or mitigating circumstances. The Disciplinary Committee shall act honestly and equitably in assessing the facts of the disciplinary case before it and may impose such sanction as it sees fit, including for example, expulsion; further suspension to allow more facts to be gathered; after which time a further meeting of the Disciplinary Committee shall be held; censure or warning. If appropriate the Disciplinary Committee may choose to impose no sanction. If the member concerned fails to either attend or submit his/her version of events or mitigating circumstances as envisaged above the Disciplinary Committee can proceed and make such inferences as it sees fit from such non-attendance or non-submission and the Disciplinary Committee meeting may proceed in the Member(s) absence.
- 4.8 The Member(s) subject to the disciplinary hearing may appeal against the decision of the Disciplinary Committee within 7 days of being notified of the decision. The appeal must be made to the Secretary who shall contact Supporters Direct who shall appoint an independent organisation to hear the appeal whose decision will be binding on all parties. The appeal will take place as soon as possible after the member concerned has requested it, and no later than 28 days following the date

of receipt of the request for an appeal hearing. As the independent organisation is independent of the Society there will be no further right of appeal by any party.

The final decision will be communicated to Members only after the conclusion of the appeal, or when the date for the lodging of an appeal has passed without such appeal being lodged. The Secretary will be responsible for communicating the decision, and no members of the Disciplinary Committee shall make any comment about the proceedings publicly.

- 4.9 No Member expelled from membership shall be re-admitted except by a special resolution of the Society in general meeting.

3.3 PST BOARD MEMBERSHIP AND CONDUCT POLICY

The PST Board Membership and Conduct Policy was approved at the PST Board meeting held at Fratton Park on the 7th July 2014. The PST Board recommends the PST Board Membership and Conduct Policy to the membership.

3.3.1 PST BOARD MEMBERSHIP AND CONDUCT POLICY [PORTSMOUTH SUPPORTERS' SOCIETY LIMITED]

1. Introduction

This document is drafted in accordance with the New Model Rules of Portsmouth Supporters' Society Limited adopted pursuant to a resolution of the Society at a General Meeting held on 29th September 2014 and the Best Practice guidance issued by Supporters Direct.

The purpose of this policy is to ensure that:

- 1.1. the Society Board has the skills and experience which it needs to operate effectively;
- 1.2. has the skills and experience to represent members of the Society on the Board of the Club;
- 1.3. the interests of the community served by the Society are adequately represented;
- 1.4. the level of representation of different groups on the Society Board strikes an appropriate balance having regard to their legitimate interest in the Society's affairs;
- 1.5. the Board and the Club operates in an effective, efficient and professional manner.

2. Definitions

- 2.1. "AGM" means the annual general meeting of the Society.
- 2.2. "Disciplinary Offence" means an Indictable Offence and/or offences described as a Disciplinary Offence in paragraphs 5.3, 9.2 and 11.5 of this Board Membership and Conduct Policy.
- 2.3. "Member(s)" means a member(s) of the Society.
- 2.4. "Society Board Member(s)" means a Member(s) of the Society Board including any persons co-opted onto the Society Board in accordance with the Rules.

- 2.5. “Election Policy” means a detailed set of rules and regulations of the Society set out in a separate policy statement.
- 2.6. “Board Membership and Conduct Policy” means the terms and conditions laid out in this document.
- 2.7. “Co-opted Member(s)” means a person(s) who and has/have been elected to the Society Board by Board Directors but not elected by the Members.
- 2.8. “Club Board” to mean the Board of Portsmouth Community Football Club Limited.
- 2.9. “Rules” means the rules and regulations of the Society laid out in the separate Rules document.
- 2.10. “Secretary” means the secretary of the Society.
- 2.11. “Treasurer” means the elected treasurer of the Society.
- 2.12. “Society” means Portsmouth Supporters’ Society Limited (also known as Pompey Supporters’ Trust).
- 2.13. “Society Board” means the elected Board of the Society including any co-opted Society Board Members.

3. Duties of the Society Board

The Society Board has the same general legal responsibilities as the Directors would of any other business or company. Society Board Members owe their duties to the Society acting as an agent with the responsibility of looking after the assets of the Society responsibly. In particular;

- 3.1 Collectively, Society Board Members are required to provide leadership of the Society and to ensure that satisfactory arrangements are in place in respect of the following key elements:
 - Strategy: developing the overall strategy for the Society;
 - Performance: setting agreed goals and objectives, and monitoring progress against performance;
 - Risk: assessing the integrity of financial information and ensuring that financial and other controls/systems of risk management are robust and defensible.
- 3.2 Individually, each Society Board Member is required to:
 - input in the setting of the strategic aims of the Society, including constructively challenging existing arrangements;
 - input in the setting of the values and standards of the Society and the establishment of necessary policies and procedures;
 - provide proactive advice on any issues that he or she considers need to be addressed;
 - use independent judgment, reasonable care, skill and diligence;
 - be aware of the Society’s legislative and regulatory requirements;

- act in accordance with the Society's constitution;
- avoid conflicts of interest and declare interest in proposed transactions/arrangements;
- not accept benefits from third parties;
- promote the success of the Society and the Club;
- ensure that the necessary financial and human resources are in place for the Society to meet its agreed objectives.

4. Election of Members

4.1 Elections shall be governed in accordance with the Election Policy.

4.2 Vacancies arising amongst the Society Board Members elected by the members will be dealt with as follows.

4.2.1 If a vacancy caused by retirement or removal is not filled at the general meeting at which they retire or are removed, the vacancy may be filled by the Board.

4.2.2 A vacancy occurring by death or resignation may be filled by the Board.

4.2.3 In each case the Society Board Member appointed to fill the vacancy is to retire at the next annual general meeting and the Board will make provision for an election to be held. For the avoidance of doubt the retiring Society Board Member may stand for re-election at the meeting at which he/she retires.

5. Co-opted Members

5.1 The Society Board shall have power to co-opt additional Society Board Members at its discretion. Co-opted Members may be co-opted to either fill a casual vacancy on the Society Board in accordance with Rule 65. Co-opted Society Board Members may have a specialist knowledge or specific skills required or attributes which the elected Society Board Members feel would be beneficial to have on the Society Board. Also Members may be co-opted on the basis of their ability to fill those roles on the Board which remain vacant at any one time to ensure that the aims and objectives of the Society are met provided that elected Society Board Directors are not outnumbered by Co-opted Society Board Members.

5.2 The co-option of an additional Society Board Member shall be by resolution at any meeting of the Society Board in line with Rule 66. Co-opted Society Board Members will serve until the next AGM and may then either stand for election to the Society Board or seek a further period of co-option.

5.3 Co-opted Board members may not serve on a disciplinary committee.

6. Principles of Board Membership

6.1 All members of the Society Board, whether elected or otherwise, must be members of the Society and in exercising their duty must at all times have in mind the aims and objectives of the Society.

6.2 All members of the Society Board must abide by decisions of the majority of them and take all such steps as are necessary or desirable to give effect to such decisions. Society Board Members are expected to adhere to the principles of collective responsibility.

- 6.3 In particular, it shall be considered a disciplinary offence for a Society Board Member to publicly criticise or to otherwise undermine any decision or policy of the Board.
- 6.4 It is expected that once decisions have been made by the Society Board, Society Board Members in disagreement with them accept the decision as the settled view of the Society Board, with items already determined only being reconsidered in the light of new information or significantly changed circumstances.
- 6.5 The Society Board may by majority vote determine that Society Board Members are not bound by collective responsibility in respect of any particular matter in which case the above shall not apply.
- 6.6 Society Board Members shall not act in any way to bring the Society into disrepute.
- 6.7 No person can be a Society Board Member:
 - 6.7.1 who ceases to be a Member of the Society;
 - 6.7.2 who is subject to a bankruptcy order or has in place a composition with their creditors;
 - 6.7.3 who is subject to a disqualification order made under the Company Directors Disqualification Act 1986;
 - 6.7.4 who fails to abide by any rules for the conduct of elections made by the Society Board;
 - 6.7.5 who is removed from office in accordance with the disciplinary process set out in the disciplinary policy;
 - 6.7.6 in relation to whom a registered medical practitioner who is treating them gives a written opinion to the Society stating that they have become physically or mentally incapable of acting as a Director and may remain so for more than three months;
 - 6.7.8 in relation to whom by reason of their mental health, a court makes an order which wholly or partly prevents them from personally exercising any powers or rights which they would otherwise have;
- 6.8 Any Society Board Member who:
 - 6.8.1 ceases to comply with the criteria set out Section 6 of this Board Membership and Conduct Policy; or
 - 6.8.2 ceases to be a Member; or
 - 6.8.3 resigns;Ceases to be a Society Board Member.
- 6.9 Any Society Board Member who:
 - 6.9.1 fails without good cause to attend 3 consecutive Board meetings; or
 - 6.9.2 fails without good cause to participate in board training is to vacate the office of Society Board Member if required to do so by a majority of the other Society Board Members.

7. Disciplinary Process

- 7.1 Where any Society Board Member is deemed by a majority of the Society Board to have committed a Disciplinary Offence as defined in this document or has otherwise acted in a way which a majority of the Society Board believe is in contrast to the

spirit of this document or the Rules, they shall be at liberty to constitute a Disciplinary Committee ("the Disciplinary Committee") to determine the facts and take such measures as the Disciplinary Committee sees fit. If the Society Board decides to constitute a Disciplinary Committee the Society Board Member(s) concerned will be suspended until the Disciplinary Committee meets and shall not be entitled to vote nor attend Society Board meetings for the period of suspension.

- 7.2 The Disciplinary Committee will consist of the then Chair and Vice-Chair of the Society Board unless one or both of them is the subject of the disciplinary action, in which case another Society Board Member will be selected by the Society Board as Chair of the Disciplinary Committee and he/she shall have the casting vote if necessary. In addition up to 3 but no less than 2 other Society Board Members (who shall not be the subject of the disciplinary action) shall sit on the Disciplinary Committee.
- 7.3 Either the Society Board or the Society Board Members who are the subject of the hearing may request for an independent member to join the Disciplinary Committee. The Independent member will be selected on the basis of mutual agreement, and shall for the avoidance of doubt not be someone who has served with any of the subjects of the hearing on any board or committee and shall ideally not be a member of the Society itself.
- 7.4 In the event that it is not possible to agree the identity of the Independent member, Supporters Direct will select the Independent member.
- 7.5 All incidental expenses for Independent members shall be met by the Society.
- 7.6 The Disciplinary Committee shall meet as soon as is practicable (where possible within 7 days) after the Society Board meeting which constituted the Disciplinary Committee and shall invite the Society Board Member concerned to attend or submit his/her version of events and/or mitigating circumstances. The Disciplinary Committee shall act honestly and equitably in assessing the facts of the disciplinary case before it and may impose such sanction as it sees fit, including for example, dismissal; further suspension to allow more facts to be gathered, after which a further meeting of the Disciplinary Committee shall be held; censure or warning. If appropriate the Disciplinary Committee may choose to impose no sanction. If the Society Board Member concerned fails to either attend or submit his or her version of events and/or mitigating circumstances as envisaged above the Disciplinary Committee can proceed and make such inferences as it sees fit from such non-attendance or non-submission. and make its decision.
- 7.7 The Society Board Member subject to the disciplinary hearing may appeal against the decision of the Disciplinary Committee within 7 days of being notified of the decision. The appeal must be made to the Secretary who shall contact Supporters Direct who shall appoint an independent organisation whose decision will be binding on all parties. The appeal will take place as soon as possible after the member concerned has requested it, and no later than 28 days following the date of receipt of the appeal. There will be no further right of appeal by any party.
- 7.8 The final decision will be communicated to Society Board Members only after the conclusion of the appeal, or when the date for the lodging of an appeal has passed without such appeal being lodged. The Secretary will be responsible for communicating the decision, and no members of the Disciplinary Committee shall make any comment about the proceedings publicly.

8. Board Procedure

- 8.1 The newly elected Society Board (after each AGM and not merely the first AGM) shall meet to select from amongst themselves a Chair, a Vice Chair, a Treasurer and a head for such sub-committees as the Society Board shall determine from time to time, having due regard to the roles and responsibilities prescribed for each of the positions and the skills and abilities of the newly elected Society Board Members. The Secretary shall be appointed by the Society Board. As soon as practicable the names and roles of the new Society Board Members shall be posted on the Society's website and sent out to members.
- 8.2 Vacancies arising amongst the Society Board Members elected by the members will be dealt with as follows;
- 8.2.1 If a vacancy caused by retirement or removal is not filled at the general meeting at which they retire or are removed, the vacancy may be filled by the Society Board;
- 8.2.2 A vacancy occurring by death or resignation may be filled by the Society Board;
- 8.2.3 In each case the Society Board Member appointed to fill the vacancy is to retire at the next annual general meeting and the Society Board will make provision for an election to be held. For the avoidance of doubt the retiring Society Board Member may stand for re-election at the meeting at which they retire.
- 8.3 Society Board Members will not receive any payment for serving on the Society Board other than the payment of expenses incurred in carrying out their duties.
- 8.4 All information held by the Society is subject to the Confidentiality principles set out below. Any Society Board Member collecting details of new members must ensure that they forward all the correct information and monies to the Secretary or a nominated person.
- 8.5 Acceptance of gifts and hospitality shall be dealt with under the Gifts and Hospitality Policy.
- 8.6 Any review of policies or the constitution will ordinarily be led by the Secretary with a committee drawn from the membership and Society Board Members.

9. Declaration of Interest

A Society Board Member shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a Society Board Member voting in respect of her/his terms and conditions of employment or any associated matter. A breach of this rule will result a disciplinary procedure.

10. Confidentiality and Collective Responsibility

- 10.1 Society Board Members and officers of the Society acknowledge that discussions at Society Board Meetings are strictly confidential save where expressly stated not to be, and save for official reports of meetings, such as publication of approved minutes. With the exception of those circumstances set out below, all Society Board Members and officers shall keep all such discussions or information strictly private and confidential.

- 10.2 The confidentiality provisions shall not apply where a Society Board Member or an officer is asked to co-operate with any statutory or regulatory body and should not stifle due and proper debate on issues within the confines of Society Board meetings or discussions between Society Board Members conducted in confidence.

For the avoidance of doubt the confidentiality provisions above remain in force even after a former Society Board Member is no longer serving on the Society Board. Breach of the confidentiality provisions is a Disciplinary Offence.

- 10.3 Only persons authorised by the Society Board may act as spokespersons for the Society. Society Board Members who are not authorised as spokespersons have a duty to ensure that their public statements (including on electronic media) do not conflict with the policy agreed by the Society Board.

- 10.4 A person who ceases to be a Society Board Member shall as soon as reasonably possible return to the Society Board all documents and electronic records held by that Society Board Member which have been held in conjunction with that person's duties as a Society Board Member. Should those effects be not returned, the Society is authorised to involve outside agencies to secure their recovery, up to and including considering the failure to return such effects as unlawful possession of the Society's property.

11. Officers

- 11.1 A serving officer who is not re-elected to the Society Board at the annual general meeting shall nevertheless continue to perform interim duties solely to ensure normal administrative functions are undertaken to maintain the Society's operations until the first Society Board meeting following the annual general meeting when a successor can be appointed. For the avoidance of doubt; they should have no role in any substantive actions and all parties with whom they deal in this period should be advised as to this situation.

- 11.2 Society Board Members serving as Directors on the Board of the Club representing the Society will be selected and shall act in accordance with the PST Board and Club Board Policy.

12. Treasurer

- 12.1 All money collected by Society Board Members on behalf of the Society must be either forwarded to the Treasurer for entry into the Society's Bank Account or deposited in Society's Bank Account with the consent of the Treasurer and a receipt provided to the Treasurer as soon as reasonably practicable. There will be no exception to this rule.

- 12.2 The Society may pay any reasonable expenses which Society Board Members connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society.

- 12.3 The Treasurer has the authority to pay any reasonable expenses to the Society Board Members for phone calls, stationery etc without the consent of a full Society Board, but he/she must inform the Society Board of the amounts paid out.

- 12.4 All cash donations and payments taken must be recorded on a form approved by the Treasurer and as advised by the Society Auditor/Independent Examiner. At least two Society Board Members must sign the completed form. A failure to complete the form to the requirements of the Treasurer may be a Disciplinary Offence.

The Society shall maintain in force bank mandates which require that any cheque issued by the Society must bear the signature of two Society Board Members.

13. Secretary

13.1 The Society is to have a Secretary whose functions will include:

- a. acting as Secretary to the Society Board;
- b. attending all meetings of the Society Board;
- c. acting as Secretary of any subsidiary company or society of the Society;
- d. summoning and attending all general meetings of the Society and being responsible for keeping the minutes;
- e. being responsible for keeping the register of members and other registers required to be kept by these Rules;
- f. monitoring the conduct of the Society's affairs to ensure that it is conducted in accordance with these Rules;
- g. arranging for Society Board Members to obtain independent legal, accounting tax or other professional advice if he or she considers it appropriate;
- h. publishing to members in an appropriate form information which the Secretary in his or her discretion or the Society Board shall direct members should have about the affairs of the Society;
- i. preparing and sending all returns required to be made to the Registrar of the Financial Conduct Authority.

13.2 The Secretary shall not be a Society Board Member but will be appointed to serve the Society members interests.

3.4 PST BOARD AND CLUB BOARD POLICY

The PST Board and Club Board Policy was approved at the PST Board meeting held at Fratton Park on the 7th July 2014. The PST Board recommends the PST Board and Club Board Policy to the membership.

3.4.1 PST BOARD AND CLUB BOARD POLICY [PORTSMOUTH SUPPORTERS' SOCIETY LIMITED]

1. Introduction

This document is drafted in accordance with the New Model Rules of Portsmouth Supporters Society Limited adopted pursuant to a resolution of the Society at a General Meeting held on 29th September 2014 and the Best Practice guidance issued by Supporters Direct. The PST Board and Club Board Policy sets out the position of the Representatives of PST on the Club Board of Portsmouth Community Football Club Limited. The policy was reviewed and recommended at the PST Board on the 7th July 2014.

The purpose of the policy is:

- 1.1 to clarify the role of the PST Club Board representatives on the Club Board.
- 1.2 to encourage transparency to members in the performance of both the Club and PST Board in achieving the objectives of the Club to maximise the goodwill and trust from the community.

2. Definitions

- 2.1 "the Club" refers to Portsmouth Community Football Club Limited.

- 2.2 “PST Board” means the Board of PST which is required to ensure the Club is run in accordance with its constitutional objects.
- 2.3 “Club Board” refers to the Board of the Club.
- 2.4 “Budget Report” consists of a written financial summary, presented on one page (where reasonably possible) detailing the actual spend, budgeted spend and variance, broken down into core areas.
- 2.5 “Business Case” is a well-structured written document that captures the reasoning for spending money for a project or initiative. It would normally consist of expected benefits, costs, risks and other options.
- 2.6 KPI’s mean “Key Performance Indicators” and are a way to measure performance, evaluating the level of success in a particular area.

3. The Personnel on the Club Board

- 3.1 For a Club Board meeting to be quorate at least one of the PST Club Board representatives must be present in person or remotely, although the PST Board should make every reasonable effort to have their full allocation of 3 places present at the meeting.
- 3.2 Should a PST Club Board representative not be able to attend, as soon as is practically possible the Secretary of PST should be contacted and a suitable alternate should be invited. A list of alternates should be agreed by the PST Board. If the PST Board cannot take up its full allocation of places for any one Club Board meeting, consideration should be given by the PST Board as to whether PST should send no one and make the Club Board Meeting inquorate.
- 3.3 The PST Board shall draw up a list of the desired skills that PST Board representatives shall possess, and all appointments shall be made with these in mind. Appropriate training will be given as per the PST Board Membership and Conduct Policy.
- 3.4 At the first Board meeting after the AGM the PST Board will vote to decide who the PST Board representatives shall be. PST Board representatives so elected shall serve on the Club Board for one year, but would be able to restand at the end of this term.
- 3.5 The PST Board also have the option of removing any PST Board Representative should it see fit to do so, in line with the Board Membership and Conduct Policy.
- 3.6 The Club shall publicise basic biographical information about the PST Board representatives serving on the Club Board on its website.

4. The Personnel on the PST Board

- 4.1 How people serve on the PST Board is covered separately by the rules and election policy.

5. Monitoring and Reporting

- 5.1 There will be a standard agenda item at PST Board meetings to cover the work of PST Board Representatives on the Club Board.
- 5.2 A summary of minutes of the Club Board meetings will be shared with the PST Board as soon as is practically possible and (re)circulated in advance of PST Board meetings.

- 5.3 On a quarterly basis the PST Board will be presented with a written budget report prepared on behalf of the Club Board.
- 5.4 It is the responsibility of the PST Board representatives on the Club Board to ensure that all of their number (in person or by alternate) attends PST Board meetings to update the PST Board on the activities of the Club Board and present the budget report.
- 5.5 Wherever practically possible PST Board meetings and Club Board meetings should be held on separate days, with enough time to share Board minutes.
- 5.6 Minutes of all PST Board meetings, which will include the Club Board agenda item should (subject to any reasonable confidentiality requirements) be uploaded on PST website and made available to the membership.

6. The Budget

- 6.1 The PST Board Representatives should encourage the Club budget to be set in line with the PST constitution namely that it supports a budget which allows the Club to play at the highest level, in accordance with financial responsibility and prudence.
- 6.2 An outline of the agreed Club finances should be presented to members at the AGM.
- 6.3 Should the PST Board Representatives be asked to authorise any spend by the Club Board which involves new shares being issued in the Club they should request that it is accompanied by a written business case.
- 6.4 The details of any request will be shared with the membership.

7. Strategy

- 7.1 PST recommends that Key Performance Indicators (KPIs) are used to reflect the strategic objectives and measure progress of the Club in identified areas.
- 7.2 Progress of KPIs should be reported to the membership at the AGM.
- 7.3 The PST Board to engage the membership in setting KPIs.

3.5 MODEL RULES FOR A SPORTS CLUB COMMUNITY MUTUAL (2011 VERSION 2)

The PST Board, subsequent to the AGM passing Special Business: Motion: 2.1 on the 23rd September 2013, was tasked with constituting a governance sub-committee [GWG] of the PST Executive Board to consider governance related matters. In particular, PST Election Policy [by resolution], Disciplinary Policy, PST Board Membership and Conduct Policy, PST Board and Club Board Policy, and the Supporters' Direct New Model Rules and Side Policies. GWG, by special resolution, was also tasked with inserting additional Rules after existing Rule 30; and to review the Rules of Portsmouth Supporters' Society Limited (Registered Under the Industrial and Provident Societies Acts 1965-78). GWG in partnership with Supporters' Direct, were asked to make recommendations to the PST Executive Board to replace the existing Rules of Portsmouth Supporters' Society Limited with the Model Rules for a Supporters' Community Mutual promoted and funded by the Co-operative Party and with help and advice from Co-operatives UK and DWF Solicitors. The proposed new PST Constitution was approved by the PST Board meeting held at Fratton Park on the 7th July 2014. The PST Board recommends the proposed new PST Constitution to the membership.

3.5.1 MODEL RULES FOR A SPORTS CLUB COMMUNITY MUTUAL [PORTSMOUTH SUPPORTERS' SOCIETY LIMITED] (28th August 2014)

Register No: 30872



RULES


OF

PORTSMOUTH SUPPORTERS' SOCIETY

23

LIMITED

**Registered Under the Industrial
And Provident Societies Acts 1965-78**

The development of the original Model Rules for a Supporters Community Mutual was promoted and funded by the Co-operative Party with help and advice from Co-operatives UK, DWF Solicitors and Supporters Direct  and their contribution is hereby gratefully acknowledged.

RULES

NAME AND DEFINITIONS

1. The name of the Society is to be Portsmouth Supporters Society Limited and it is called “the Club” in the rest of these Rules; and the surrounding area of Portsmouth, Hampshire and West Sussex is called “the Area”.

INTERPRETATIONS

2. In these Rules:

“the Act” refers to the Industrial and Provident Societies Act 1965 or any Act or Acts amending or in substitution of it or them for the time being in force;

“Address” means a postal address or, for the purposes of electronic communication, email address or telephone number for receiving text messages;

“The Club” means Portsmouth Community Football Club;

“The Society Board” or **“the Society Board Members”** means all those persons appointed to perform the duties of directors of the Society within the meaning of the Act;

“Society Board Meeting” includes, except where inconsistent with any legal obligation a physical meeting, a meeting held by electronic means and a meeting held by telephone;

Society Board Member means a director of the Society and includes any person occupying the position of director, by whatever name called;

“Electronic Means” shall include email, video links and secure authenticated website transactions;

“Member” has the meaning as detailed under ‘Membership’ in these Rules;

“Person” means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or any representative of an unincorporated body, firm, partnership or corporate body;

“Registrar” means the Financial Conduct Authority or any successor body in function;

“Rules” means the Society’s Rulebook;

“Writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

3. COMMUNITY BENEFIT PURPOSE

The business of the Society is to be conducted for the benefit of the community served by the Society and not for the profit of its members.

OBJECTS

4. The Society 's objects are to benefit the community by;
- 4.1 enhancing the social, cultural and economic value of the Club to its Communities and by acting as a responsible custodian of the Club for future generations;
 - 4.2 promoting the mutual ownership of the Club operating democratically, fairly and transparently;
 - 4.3 encouraging the Club to play at the highest level with financial responsibility and prudence enabling the Club to be run for the long term interest of the Community;
 - 4.4 providing sporting and other facilities and opportunities regardless of age, income, ethnicity, gender, disability, sexuality, religious or moral belief;
 - 4.5 working in partnership with supporters, directors, staff, players, Portsmouth City Council, other statutory bodies and other official and independent supporters' associations related to the Club, in order to further the footballing and financial success of the Club;
 - 4.6 enhancing the Club's benefit to the community it serves.

POWERS

5. The Society may achieve these objects in whole or in part through an interest or interests in companies or societies provided that the objects of the companies or societies are consistent with the Society's Objects.
6. In order to achieve its objects the Society may either itself or through a subsidiary company or society acting under its legal control or in which it seeks legal control:
- 6.1 buy, sell and lease property;
 - 6.2 borrow;
 - 6.3 grant security over its property and assets;
 - 6.4 establish promote and maintain for the purposes of the Society any lawful fund raising scheme;
 - 6.5 promote means to give supporters greater opportunity to invest in the Society and the Club;
 - 6.6 promote means to give supporters greater opportunity to donate to the Society;

- 6.7 indemnify or take out and maintain insurance for the benefit of people who are or were:
 - 6.7.1 members of the Society Board; or
 - 6.7.2 officers; or
 - 6.7.3 employees; or
 - 6.7.4 trustees of a pension fund of the Society or any subsidiary against any liability which they may have as a result of their involvement with the Society or its subsidiaries;
- 6.8 indemnify or take out and maintain insurance for the benefit of people who are or were elected or nominated by the Society to serve on the board of any company owning or controlling the Club;
- 6.9 so far as permitted by these Rules take out and maintain insurance against any risks to which the Society may be exposed;
- 6.10 co-operate with other supporters organisations, co-operatives and societies conducted for the benefit of the community at local, national and international levels; and
- 6.11 do anything else which is necessary or expedient to achieve its objects.

APPLICATION OF SURPLUS

- 7. The profits or surpluses of the Society are not to be distributed either directly or indirectly in any way whatsoever among members of the Society but shall be applied;
 - 7.1 to maintain prudent reserves;
 - 7.2 on expenditure to achieve the Society's objectives; and
 - 7.3 to pay interest on or repaying issued share capital in accordance with the provisions of these Rules.

ASSET LOCK

- 8. NOT USED

MEMBERSHIP

- 9. The members of the Society are the people whose names are entered in the register of members.
 - 9.1 Membership is open to any individual, unincorporated body, firm, partnership or corporate body who or which:
 - 9.1.1 is a supporter of the Club; or

- 9.1.2 has an interest in the game of football and is in sympathy with the objects of the Society; and
- 9.1.3 (if an individual) is 16 years of age or older;
- 9.2 agrees to respect commercial confidentiality in relation to business decisions of the Society; and
- 9.3 agrees to be bound by these Rules and by Rules 3 and 7 in particular.

The Society Board shall have power to refuse membership to any person who does not in the opinion of the Society Board meet these requirements.

- 10. Every member holds one ordinary share in the capital of the Society. No member may hold more than one ordinary share in the Society either individually or jointly. Members are able to purchase Community Shares, a different type of share. (see rule 20)
- 11. The Society Board will decide, and issue a form of application for membership, the first payment to be made at the time of application for membership. The sum of £1 from the first payment shall be applied to purchase an ordinary share in the Society.
- 12. The Society Board will have the power to offer associate or affiliate status with or without payment or subscription to corporate or unincorporated bodies which support the aims of the Society. The Society may designate a share in the capital of the Society as being held on behalf of any unincorporated organisation. The Society Board shall have the right to offer a class of junior membership with or without payment to minors under the age of 16, but no person under the age of 16 shall be entitled to a share in the Society or be entitled to vote at any general meeting of the Society.
- 13. No person under the age of 16 may be an officer of the Society.
- 14. A corporate body or firm or an unincorporated organisation which is a member may by resolution of its governing body appoint any person it thinks fit to be its deputy and revoke such an appointment. A copy of any such resolution signed by two members of the governing body and in the case of a local authority by the authorised officer of the Council shall be sent to the Secretary of the Society. The deputy will be entitled to exercise all rights of membership on behalf of the body including seeking election as an officer and speaking and voting at any general meeting. References in these Rules to a member being present in person include members which are corporate or unincorporated bodies being present through their deputy.

SHARES

- 15. The Society has ordinary shares and may have Community Shares in accordance with the provisions set out in Rule 20.
- 16. The following provisions apply to shares in the Society:
 - 16.1 shares shall be withdrawable only in accordance with the provisions of these Rules;

- 16.2 shares shall not be transferable except on death or bankruptcy or with the consent of the Society Board;
- 16.3 application for shares shall be made to the Society Board who shall allot to members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any member shall not exceed the maximum shareholding permitted by these Rules or by law; and
- 16.4 shares shall be paid for in full on allotment.

ORDINARY SHARE PROVISIONS

- 17. The ordinary shares of the Society shall be of the nominal value of £1.00.
- 18. If a member ceases to be a member, the ordinary share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Society.
- 19. Ordinary shares shall not be withdrawable and do not carry any rights to interest, dividend or bonus.

COMMUNITYSHARE PROVISIONS

- 20. In order to fund its business, the Society may issue Community Shares. Community Shares may be issued in such denomination and upon such terms as the Society Board shall decide, subject to the Rules, and in particular the following provisions:
 - 20.1 Community Shares shall not be withdrawable except with the consent of the Society Board;
 - 20.2 The Society Board may specify a date or dates on which Community Shares may be withdrawn and may make provision for the withdrawal of different issues of shares on different dates;
 - 20.3 The Society Board may pay interest to holders of Community Shares as compensation for the use of such funds, but the rate of interest shall be no higher than the Society Board considers to be necessary to attract the funding needed for the business of the Society and shall not in any event be higher than 2% above clearing bank base rate from time to time. The rate may vary within these limits between different issues of shares;
 - 20.4 No withdrawal of Community Shares or payment of interest on them shall be made except from trading surpluses and any withdrawal or payment shall be at the discretion of the Society Board having regard to the long term interests of the Society, the need to maintain prudent reserves and the Society's primary commitment to community benefit;
 - 20.5 Community Shares may only be issued to members;
 - 20.6 On the solvent dissolution or winding up of the Society, holders of Community Shares shall have no financial entitlement beyond payment of outstanding interest and repayment of paid-up share capital.

REMOVAL OF MEMBERS

21. A member shall cease to be a member if they:
- 21.1 fail after written demand to pay their annual subscription;
 - 21.2 die (in the case of an individual);
 - 21.3 cease to exist (in the case of a body corporate);
 - 21.4 are the nominee of a corporate body or firm or an unincorporated organisation firm which is wound up or dissolved;
 - 21.5 are the nominee of a corporate body or firm or an unincorporated organisation which removes or replaces them as nominee;
 - 21.6 are not the holder of a fully paid up share;
 - 21.7 are expelled under these Rules; or
 - 21.8 withdraw from membership by giving at least one month's written notice to the Secretary.
22. A member may be expelled for conduct prejudicial to the Society in accordance with any Disciplinary Policy adopted by the Society (which must have regard to any guidance issued by Supporters Direct).

ORGANISATION

23. The powers of the Society are to be exercised by the members and the Society Board as set out in the Rules which follow.

RIGHTS AND POWERS OF MEMBERS

24. The members have the rights and powers available to them under the law relating to Community Benefit Societies and are to decide in particular the issues specifically reserved to them by these Rules.
25. The members may by a resolution carried by not less than two-thirds of the members voting at a general meeting but not otherwise give directions to the Society Board. A member wishing to propose a Members' resolution for consideration at a general meeting shall give notice in writing to the Secretary of such wish, and of the justification for, form and content of the resolution, not later than noon 28 days before that meeting is to be held. The following provisions apply to any directions given:
- 25.1 any direction must:
 - 25.1.1 be consistent with these Rules and with the Society's contractual, statutory and other legal obligations; and
 - 25.1.2 not affect the powers and responsibilities of the Society Board under Rule 26;

- 25.2 Any person who deals with the Society in good faith and is not aware that a direction has been given may deal with the Society on the basis that no decision has been given.

DUTIES AND POWERS OF SOCIETY BOARD

26. The Society Board is to ensure that the business of the Society is conducted in accordance with these Rules and with the interests of the community and in accordance with the Board Membership and Conduct Policy adopted by the Society (which must have regard to any guidance issued by Supporters Direct). The Society Board:
- 26.1 may exercise all the Society's powers which are not required by these Rules or by statute to be exercised by the Society in a general meeting;
- 26.2 may delegate any of its powers to committees consisting of such of its own number (and others provided that Society Board Members remain in the majority on such committees) as it thinks fit who shall, in the function entrusted to them, conform in all respects to the instruction given to them by the Society Board. The following provisions apply to any such delegation:
- 26.2.1 any delegation may be revoked and its terms may be varied; and
- 26.2.2 the proceedings of any sub-committee shall be governed by the rules regulating the proceedings of the Society Board so far as they are capable of applying.
- 26.3 shall appoint and remove Society representatives on the Club Board in accordance with the PST and Club Board Policy and the Board Membership and Conduct Policy;
- 26.4 shall receive all information from the Club in confidence and shall respect commercial confidentiality in respect of business decisions by the Club.

GENERAL MEETINGS

27. The Society shall, within six months of the end of the financial year, hold a general meeting of the members as its annual general meeting and shall specify the meeting as such in the notices calling it. The Society is to ensure that all general meetings are accessible so as to encourage participation in them by members. All general meetings are to be held in accordance with the Society's Standing Orders for General Meetings, which shall be determined by the Society Board of Members and should have regard to any guidance issued by Supporters Direct.
28. The business of an annual general meeting shall normally comprise, where appropriate:
- 28.1 the receipt of the accounts and balance sheet and of the reports of the Society Board and auditor;
- 28.2 the appointment of an auditor;
- 28.3 the results of the election;

- 28.4 the report of the Club Board including a financial report;
- 28.5 the audit of any other aspect of the performance of the Society;
- 28.6 the application of any surplus; and
- 28.7 the transaction of any other business included in the notice convening the meeting.

The business of any general meeting shall comprise:

- 28.8 consideration of any member's resolution, notice of which has been given to the Secretary in accordance with Rule 27;
 - 28.9 consideration of any resolution proposed by the Society Board; and
 - 28.10 consideration of any other business relating to the affairs of the Society which any member or the Society Board may wish to raise but no resolution may be put to the vote of the meeting under this item.
29. All general meetings other than annual general meetings are called special general meetings.
30. The Secretary, at the request of the Society Board may convene a general meeting of the Society. The purpose of the general meeting shall be stated in the application and notice of the meeting.

The Society Board upon an application by not less than 50 members or 5% of the membership, whichever is the greater, delivered to the Society's registered office, shall convene a general meeting. The purpose of the special general meeting shall be stated in the application and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.

31. A special general meeting called in response to a members' requisition must be held within 28 days of the date on which the requisition is delivered to the registered office. The meeting is not to transact any business other than that set out in the requisition and the notice convening the meeting.
32. If, within one month from the date of the receipt of the application, the Society Board has not convened a special general meeting, the Secretary or any three Members of the Society acting on behalf of the signatories to the application may convene a special general meeting, and shall be reimbursed by the Society for any costs incurred in convening such a meeting.
33. Notice of a general meeting is to be given either:
- 33.1 in writing; or
 - 33.2 where a member has agreed to receive notice in this way, by such electronic means as the Society Board shall decide at least 14 clear days before the date of the meeting. The notice must:
 - 33.3 be given to all members and to the members of the Society Board and to the auditors;
 - 33.4 state whether the meeting is an annual or special general meeting;

- 33.5 give a time, date and a place of the meeting; and
 - 33.6 indicate the business to be dealt with at the meeting.
34. Any notice to a member may be given either:
- 34.1 personally; or
 - 34.2 by sending it by post in a prepaid envelope addressed to the member at their registered address; or
 - 34.3 by leaving at that address; or
 - 34.4 (if a register of e-mail addresses is maintained by the Society and the member has notified the Society of an e-mail address) by e-mail to their registered e-mail address.

Notices or communications sent by first class post to members at their registered address are deemed to have been duly served 48 hours (excluding Sundays) after being posted. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. The proceedings at a general meeting are not invalid if:

- 34.5 there has been an accidental omission to send a notice to a member or members; or
 - 34.6 the notice is not received by a member or members.
35. A member present either in person or by proxy at any meeting of the Society shall be deemed to have received notice of the meeting and where requisite, of the purposes for which it was called.
36. Before a general meeting can do business there must be a quorum present. Except where these Rules say otherwise a quorum is 20 members or 5% of the members entitled to vote at the meeting whichever is lower.
37. The Society Board may decide where a general meeting is to be held and may also in the interests of democracy;
- 37.1 arrange for the annual general meeting to be held in a different part of the Area each year;
 - 37.2 make provision for a general meeting to be held at different venues either simultaneously or at different times. In making such provision the Society Board shall also fix an appropriate quorum for each venue, provided that the aggregate of the quorum requirements shall not be less than the quorum set out in the previous Rule.
38. It is the responsibility of the Society Board, the Chair of the meeting and the Secretary to ensure that at any general meeting:
- 38.1 the issues to be decided are clearly explained;
 - 38.2 sufficient information is provided to members to enable rational discussion to take place;

- 38.3 where appropriate, representatives of the Society, experts in relevant fields or representatives of special interest groups are invited to address the meeting.
39. If the chair of a general meeting or the Secretary considers that steps should be taken to ensure:
- 39.1 the safety of people attending a general meeting; or
 - 39.2 the proper and orderly conduct of the meeting;
 - 39.3 they may take whatever steps are necessary to deal with the situation. They may in particular, if they think it necessary:
 - 39.3.1 require people to prove their identity;
 - 39.3.2 arrange security searches;
 - 39.3.3 stop certain things being taken into the meeting;
 - 39.3.4 refuse to allow members into the meeting or have members removed from the meeting, where the behaviour of those members is or is likely to be violent or disruptive.
40. An auditor appointed in accordance with these Rules they shall be entitled to attend general meetings of the Society and to receive all notices of and communications relating to any general meeting which any member is entitled to receive. The auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an auditor.
41. The Chair shall preside at general meetings. If he or she is absent or unwilling to act at the time any meeting proceeds to business then another Society Board Member shall facilitate the meeting. If no other Society Board Member is present or willing to act, the members present shall choose either one of their number or an independent person recommended by the Society Board to be the Chair for that meeting. If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the Chair must adjourn the meeting for at least 7 days. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the members present shall constitute a quorum.
42. The Chair of a general meeting may adjourn the meeting whilst a quorum is present if:
- 42.1 The meeting consents to that adjournment; or
 - 42.2 It appears to the Chair that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
43. When adjourning a meeting the Chair must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Society Board.

44. If the meeting is adjourned for 14 days or more, at least 7 clear days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
45. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.
46. Every member present in person or by proxy shall have one vote on any question to be decided in general meeting.
47. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper poll is demanded in accordance with these Rules. Unless a paper poll is demanded, a declaration by the Chair that a resolution has on a show of hands been carried or lost recorded in the minutes of the proceedings of the general meeting shall be conclusive evidence of the fact without proof of the number or proportions of the votes recorded in favour or against such resolution.
48. In the case of equality of votes whether on a show of hands or a poll, the Chair shall not have a second or casting vote and the resolution shall be deemed to have been lost.

RESOLUTIONS

49. Decisions at general meetings shall be made by passing resolutions:
 - 49.1 The following decisions must be made by extraordinary resolution:
 - 49.1.1 Any amendment to the Society's Rules;
 - 49.1.2 The decision to wind up the Society.
 - 49.2 All other decisions shall be made by ordinary resolution.
50. An extraordinary resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (50%+1) of votes cast.
51. Resolutions may be passed at general meetings or by written resolution or a combination of both. A written resolution may consist of several identical documents signed by one or more Members or as a result of an electronic poll.
52. A proxy may be appointed and the appointment may instruct the proxy to vote in a particular way or as he or she thinks fit. A proxy is to be appointed as follows:
 - 52.1 in writing;
 - 52.2 in any usual form or any other form which the Society Board may approve;
 - 52.3 under the hand of the appointor or of their attorney duly authorised in writing; and
 - 52.4 by depositing the appointment document at the registered office of the Society or at such other place within the United Kingdom as the Society shall specify not less than two clear days before the day fixed for the meeting at which the proxy is authorised to vote. Where the appointment document is exercised by an attorney on behalf of the appointor, the

authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Society Board is to be lodged with the appointment document.

53. If this procedure is not followed the appointment of the proxy will be invalid.
54. The following further rules apply to proxies:
 - 54.1 No person other than the Chair of the meeting or the Secretary can act as proxy for more than 3 members;
 - 54.2 Any question as to the validity of a proxy is to be determined by the Chair of the meeting whose decision is to be final;
 - 54.3 A proxy need not be a member of the Society.
55. A vote given or poll demanded by proxy or by the duly authorised deputy of a corporate or unincorporated body, shall be valid unless notice of termination of the authority is received by the Society at the registered office or at any other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded.
56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered. Any objection made in due time about any vote whether tendered personally or by proxy is to be determined by the Chair of the meeting, whose decision is to be final. Every vote not disallowed at the meeting will be valid.

POSTAL BALLOTS

57. Where:
 - 57.1 the Society Board considers that a significant issue has arisen which should be determined by the members of the Society the issue shall be determined by a postal ballot of the members of the Society conducted in accordance with such procedure as the Society Board shall determine subject to the following principles:
 - 57.1.1 notice of the ballot shall be given to each member of the Society in the same way as notice of a meeting is to be given;
 - 57.1.2 the notice must set out clearly the issue to be decided;
 - 57.1.3 sufficient information must be provided to members to enable an informed decision to be made; and
 - 57.1.4 the date by which the voting papers are to be returned must be clearly stated.
 - 57.2 In any case where a postal ballot is appropriate the Board may make such a provision as it thinks fit to permit notice of the ballot to be given and voting to be conducted by electronic means.

CONSTITUTION OF THE SOCIETY BOARD

58. The Society shall have a Board of Society Board Members comprising not less than 6 and not more than 12 persons.
59. Only Members of the Society who are aged 16 years or more may serve on the Society Board.
60. Elected Society Board Members shall be elected only in accordance with the Election Policy adopted by the Society from time to time.
61. Society Board Members will normally serve for periods of three years in accordance with the Board Membership and Conduct Policy.
62. A retiring Society Board member shall be eligible for re-election.
63. At each annual general meeting one third of the Society Board members of the first elected by the members (to be chosen by lot) will resign from office. Thereafter, the one third of the elected Society Board Members who have served the longest at the date of the annual general meeting will resign. If at any time the number of elected directors is not divisible by three, the Society Board shall decide the number of elected Society Board Members to resign in accordance with this rule, which shall be approximately one third of the total number.
64. New Society Board Members shall be elected in accordance with the Society's Election Policy including by authenticated electronic means and postal ballot. The Society's Election Policy shall have regard to any guidance issued by Supporters Direct.
65. The Society Board may at any time co-opt any Member of the Society or the representative of an organisation which is a Member to fill a casual vacancy in the Board of Directors, provided that at no time shall more than one-third of the members of the Society Board be co-opted members. A casual vacancy shall be deemed to exist if the number of Directors should drop below the minimum prescribed in these Rules or below the number elected at the preceding Annual General Meeting.
66. The Society Board may co-opt non-members and members to the Society Board in addition to the number of elected Society Board Members specified in these Rules provided that at all times the total number of non-members and members co-opted under Rule 68 shall be in the minority. A Society Board Member co-opted in accordance with this Rule shall serve for a fixed period determined by the Society Board at the time of co-option, subject to a review at least every twelve months, may be removed from office at any time by a resolution passed by a majority of the members of the Society Board, and may be remunerated in an amount (to be disclosed in the published accounts) from time to time, as fixed by the Society Board. Co-opted Society Board Members shall be selected by virtue of their specialist skills and experience considered to be of benefit to the Society.
67. In the event that the size of the Society Board should drop below the minimum number of members prescribed in these Rules, the Directors may act to increase their number or to call a General Meeting of the Society, but for no other purpose.
68. The Society Board shall ensure that the business of the Society is conducted in accordance with these Rules and with the interests of the community and in accordance with any bye-laws, policies or procedures adopted by the Society.

SOCIETY BOARD MEETINGS

69. Any two Society Board Members may, and the Secretary on the requisition of a Society Board Member shall, call a meeting of the Society Board by giving reasonable notice of the meeting to all Society Board Members. Notice of any meeting of the Society Board must indicate the date, time and place of the meeting and, if the Society Board Members participating in the meeting will not be in the same place, how they will communicate with each other.
70. The Society Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. All Society Board meetings are to be held in accordance with the Society's Standing Orders for Board Meetings, which shall be determined by the Society Board and shall have regard to any guidance issued by Supporters Direct.
71. A Society Board Member is able to exercise the right to speak at a meeting of the Society Board and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Society Board Members may make whatever arrangements they consider appropriate to enable those attending a meeting of the Society Board to exercise their rights to speak or vote at it including by electronic means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Society Board Members attending are in the same place as each other.
72. Questions arising at any meetings shall be decided by a majority of votes cast. For the avoidance of doubt, abstentions are not to be classed as votes cast. In the case of an equality of votes the Chair shall have a casting vote.
73. A written resolution, circulated to all Society Board Members and signed by a simple majority of Society Board Members, shall be valid and effective as if it had been passed at a Society Board meeting duly convened and held. A written resolution may consist of several identical documents signed by one or more Society Board Members.
74. The Society Board may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

QUORUM

75. The quorum necessary for the transaction of business at a meeting of the Society Board shall be 50% of the Directors or 4 Elected Directors, whichever is the greater, or such greater number as the Society Board shall determine from time to time.
76. If at any time the total number of Society Board Members in office is less than the quorum required, the Society Board must not take any decisions other than to appoint further Society Board Members or to call a general meeting so as to enable the Members to appoint further Directors.

CHAIR

77. The Chair shall facilitate meetings of the Society Board. If he or she is absent or unwilling to act at the time any meeting proceeds to business then the Society Board Members present shall choose one of their number to be the Chair for that

meeting. The appointment of a Chair shall be the first item of business at the meeting.

DECLARATION OF INTEREST

78. A Society Board Member shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest in accordance with the Society's Board Membership and Conduct Policy.

EXPENSES

79. The Society may pay any reasonable expenses in accordance with the Society's Board Membership and Conduct Policy.

TERMINATION OF A DIRECTOR'S APPOINTMENT

80. A person ceases to be a Society Board Member as soon as one of the matters listed in the Board Membership and Conduct Policy as bringing membership of the Society Board to an end applies.

OFFICERS

81. The Society Board shall elect from among their own number a Chair, treasurer and such other Officers as they may from time to time decide in accordance with the Society's Board Membership and Conduct Policy. These Officers shall have such duties and rights as may be bestowed on them by the Society Board or by statute and any officer appointed may be removed by the Society Board.

SECRETARY

82. The Society Board shall appoint a Secretary of the Society for such term at such remuneration and upon such conditions as they think fit. Any Secretary so appointed may be removed by them. A provision of the Act or these Rules requiring or authorising a thing to be done by or to a Society Board member and the Secretary shall not be satisfied by its being done by or to the same person acting in both capacities.

COMMITTEES OF THE SOCIETY BOARD

83. The Society Board may delegate any of its powers to committees.
84. The Society Board will:
- 84.1 decide the membership of each committee;
 - 84.2 appoint the Chair of each committee;
 - 84.3 lay down the procedure to be adopted by each committee (including the quorum); and
 - 84.4 produce a written record of the scope and authority of each committee.

FINANCIAL AUDIT

85. The Society Board shall in respect of each year of account ending of 31st March:
- 85.1 cause to be prepared a revenue account or revenue accounts which:
 - 85.1.1 deal with the affairs of the Society and any subsidiary company or society as a whole for that year; and
 - 85.1.2 give a true and fair view of the income and expenditure of the Society and any subsidiary society or company for that year;
 - 85.2 cause to be prepared a balance sheet giving at that date a true and fair view of the state of the affairs of the Society and any subsidiary company or society.
86. The Society Board is to lay a revenue account and balance sheet duly audited and signed by the auditor and incorporating the report of the auditor thereon before each annual general meeting, accompanied by a report by the Society Board on the position of the affairs of the Society, as the case may be. Every revenue account and balance sheet published is to be signed by the Secretary and by two Society Board Members acting on behalf of the Society Board.
87. The Society Board is not to cause to be published any balance sheet unless it has previously been audited by the auditor and it incorporates a report by the auditor that it gives a true and fair view of the income and expenditure, or the state of affairs of the Society, as the case may be. Every revenue account and balance sheet published by is to be signed by the Secretary and by two Society Board members acting on behalf of the Society Board.
88. A qualified auditor must be appointed to audit the Society's account and balance sheet for each financial year. In this Rule "qualified auditor" means a person who is a qualified auditor under Section 7 of the Friendly and Industrial and Provident Societies Act 1968 and Section 25 of the Companies Act 1989.
89. The auditor shall, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968, make a report to the Society on the accounts examined by the and on the revenue account or accounts and the balance sheet of the Society for the year in question.
90. None of the following people can be appointed as auditor for the Society:
- 90.1 an officer or servant of the Society; or
 - 90.2 a person who is a partner or close relative of or in employment or who employs an officer or servant of the Society.
91. Save as provided in this Rule any appointment of an auditor is to be made by resolution of a general meeting of the Society.
- The Society Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
92. An auditor appointed to audit the accounts and balance sheet of the Society for the preceding year of account (whether by a general meeting or by the Society

Board) is to be re-appointed as auditor of the Society for the current year of account (whether or not any resolution re-appointing them has been passed) unless:

- 92.1 a resolution has been passed at a general meeting of the appointing somebody instead of them or providing expressly that they are not to be re-appointed; or
- 92.2 they have given to the Society notice in writing of their unwillingness to be re-appointed; or
- 92.3 they are not permitted by these Rules to the auditor; or
- 92.4 they have ceased to be an auditor of the Society by reason of incapacity; or
- 92.5 proper notice of an intended resolution to appoint another person in their place has been given but the resolution cannot be preceded with because of the health or incapacity of that other person.

93. A resolution at a general meeting of the Society:

- 93.1 appointing another person as auditor in place of a retiring auditor; or
- 93.2 providing expressly that a retiring auditor is not to be re-appointed will not be effective unless notice of the intention to move it has been given to the Society not less than twenty-eight days before the meeting at which it is to be moved.

If such notice is given the following procedure will be adopted:

- 93.3 the Society will send a copy of the notice to the retiring auditor;
- 93.4 if it is practicable to do so the Society will give notice of the intended resolution to the members with notice of the meeting;
- 93.5 if that is not practicable, the Society will publish details of the notice by advertisement not less than seven days before the meeting in a newspaper circulating in the area in which the Society conducts its business; and
- 93.6 if the retiring auditor makes any representations in writing to the Society in response to the notice or notifies the Society that they intend to make such representations, the Society will notify the members as required by Section 6 of the Friendly and Industrial and Provident Societies Act 1968.

PERFORMANCE AUDIT

94. A general meeting of the Society may require the Society Board to appoint appropriate people to act as auditors by the achievement of the Society of its objects or any aspect of the Society's performance of its obligations under these Rules.

ANNUAL RETURNS

95. The Society will make an annual return to the Registrar as required by the Act.

96. The Society will supply a copy of the last annual return with all supporting documents to any member on request and without charge.

AMENDMENT TO RULES

97. Unless these Rules say otherwise any Rule may be altered or rescinded, or any new rule may be made, by extraordinary resolution. No change to these Rules shall be valid until registered.
98. In the case of this Rule, Rule 3 and Rule 7 the quorum at any general meeting called to consider a resolution to amend shall be not less than one quarter of the members entitled to vote at the meeting when the meeting is called.

CHANGES TO THE CONSTITUTION

99. The Act provides that the Society may by special resolution as defined in the Act:
- 99.1 amalgamate with another society or a company registered under the Companies Acts;
- 99.2 transfer its engagements to another society or a company registered under the Companies Acts;
- 99.3 convert itself into a company registered under the Companies Acts.

The quorum at any general meeting called to consider such a resolution shall be 50% of the members entitled to attend and vote at the meeting unless the resolution proposes an amalgamation with or transfer of engagements to another industrial and provident society trading for the benefit of the community and having provisions in its rules substantially identical to Rule 3, 4, Rule 7 and this Rule.

INVESTMENT AND BORROWING

100. The funds of the Society, may to the extent permitted by the law for the time being in force and with the authority of the Society Board, be invested:
- 100.1 in the shares of any company or society;
- 100.2 in any manner expressly authorised by the Act;
- but are not to be invested otherwise.
101. The Society may borrow money on such terms as the Society Board shall authorise save that any borrowing that would require a significant proportion of the Society's turnover to be apportioned to repaying such borrowing, or that would use the assets of the Society (and/or any subsidiaries) as security for such borrowing, shall require the approval of the Society in general meeting.

102. A duly appointed receiver or manager of the whole or part of the Society's property may assume such powers of the Society Board as he or she considers necessary to carry out his or her duties under the instrument of appointment.

DISSOLUTION

103. The Society may be dissolved by the consent of three-quarters of the members who sign an instrument of dissolution in the form provided by the Registrar or by winding-up in the manner provided by the Act.
104. If on the winding-up or dissolution of the Society there remains, after the satisfaction of all its debts and liabilities any property whatsoever the same is to be transferred to:
- 104.1 a sporting charity or sporting charities operating in the Area and/or;
 - 104.2 one or more societies established for the benefit of the community operating in the Area; and/or
 - 104.3 one or more societies established for the benefit of the community in each case as determined by the members at a meeting called to decide the issue. Nothing belonging to the Society shall be transferred to any other society unless that Society has in its rules a rule substantially in the terms of this Rule.

INDEMNITY

105. Subject to the following rule, any current or former Society Board Member may be indemnified out of the Club's assets against:
- 105.1 Any liability incurred by that Society Board Member in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;
 - 105.2 Any liability incurred by that Director in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;
 - 105.3 Any other liability incurred by that Director as an officer of the Society.
106. The above rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.
107. The Society Board may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any Society Board Member or former Board Member of the Society in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Society.

MISCELLANEOUS ADMINISTRATIVE PROVISIONS

108. The Society Board may make or adopt bye-laws, policies or procedures for the conduct of the Society's business and may where it considers it to be necessary or appropriate arrange for them to be ratified by members in general meeting.

Details of all bye-laws, policies and procedures in force shall be made available to members.

109. Anything done in good faith by any meeting of the Society Board shall be valid, notwithstanding that it is afterwards discovered that there was any defect in the appointment of any Board member or Board Members or that any one or more of them were disqualified and shall be as valid as if every Board Member has been duly appointed and was duly qualified to serve.
110. The Society will not be entitled to rely against other persons on any amendment to its Rules if the amendment had not been registered at the material time and the fact that the amendment had not been registered is not shown by the Society to have been known at that time to the person concerned.
111. The Society shall ensure that minutes are kept of all:
 - 111.1 Proceedings at meetings of the Society; and
 - 111.2 Proceedings at meetings of the Board of Directors and its sub-committees which include names of the Society Board Members present, decisions made and the reasons for those decisions;
 - 111.3 Minutes of meetings will be read at the next meeting and signed by the Chair of that meeting. The signed minutes will be conclusive evidence of the events of the meeting.
112. The Society's registered office is a 6 Marlborough Place, Brighton BN1 1UB. The Society will keep at the registered office:
 - 112.1 a register in which the Secretary is to enter the following particulars:
 - 112.1.1 the name and addresses of the members;
 - 112.1.2 details of the share held by each member and the amount paid or agreed to be considered as paid for that share;
 - 112.1.3 a statement of other property in the Society whether in loans or loan stock held by each member;
 - 112.1.4 the date at which each person was entered in the register as a member and the date at which any person ceased to be a member;
 - 112.1.5 details of any deputy appointed by any corporate member;
 - 112.1.6 the names and addresses of the members of the Society Board with the offices held by them and the dates on which they assumed office.
 - 112.2 a duplicate register in which the Secretary is to enter all the particulars in the original register of members other than those referred to in Rules 112.1.2 and 112.1.3;
 - 112.3 a register of the holders of loan stock in which the Secretary is to enter such particulars as the Society Board direct and register all transfers of loan stock;

- 112.4 a register in which the Secretary is to enter such particulars of all mortgages and charges on land of the Society as the Society Board directs.
113. Subject to the provisions of the Data Protection Act the registers to be maintained by the Society and may be kept in electronic form. The Society must have regard to any guidance issued by Supporters Direct in relation to the maintenance of records.
114. The inclusion or omission of the name of any person from the original register of members shall, in the absence of evidence to the contrary, be conclusive evidence that such person is or is not a member of the Society.
115. The Society is to keep proper books of account with respect to its transactions and to its assets and liabilities in accordance with Sections 1 and 2 of the Friendly and Industrial and Provident Societies Act 1968.
116. Members are entitled to inspect:
- 116.1 their own account;
- 116.2 the duplicate register.
- at the registered office at any reasonable time.
117. The Secretary is to deliver a copy of these Rules to every person on demand on payment of an amount fixed by Society Board subject to the statutory maximum.
118. No change in the address of the registered office is valid until registered by the Registrar. The Secretary shall notify the Registrar in the form prescribed.
119. The registered name of the Society is to be engraved in legible characters on its seal if it has one.
120. The registered name of the Society is to be displayed in a prominent place at the registered office and every other office or place in which the business of the Society is carried out. The registered name of the Society is also to be mentioned in all legible characters in all:
- 120.1 business letters, notices, advertisements and other official publications;
- 120.2 bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Society;
- 120.3 bills, invoices, receipts and letters of credit of the Society.
121. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these rules that would require a permission from the Financial Conduct Authority (or any constituted body that succeeds its function) to carry on that regulated activity without first having applied for and obtained such permission.

DISPUTES

122. Every unresolved dispute which arises out of these Rules between the Society and:
- 122.1 a member; or

122.2 any person aggrieved who has ceased to be a member within the six months prior to the date of the dispute; or

122.3 any person claiming through such member or person aggrieved; or

122.4 any person bringing a claim under the Rules of the Society; or

122.5 an officer of the Society.

is to be submitted to an arbitrator agreed by the parties or nominated by the Chief Executive (or equivalent) of Supporters Direct. The arbitrator's decision will be binding and conclusive on all parties.

123. Any person bringing a dispute must deposit with Society the sum of £500 or such other reasonable sum as the Society Board shall decide. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

SIGNATURES OF MEMBERS	FULL NAMES	DATE
.....
.....
.....
.....
.....
.....

SIGNATURE OF SECRETARY	FULL NAME	DATE
.....

APPENDIX 1.

**PST Election Process Review
Introduction Paper
November 2013**

The current PST Board Election Process has six clear phases

1. Election Control
2. Time Table
3. Nominations & Eligibility
4. Statements & Campaigning
5. Appeal Process
6. Result

At the AGM the Membership gave the Trust Board a clear mandate to review this process and to ensure that all elements of the election process are as “fit for purpose” as possible bearing in mind the new reality of PST and the potential responsibilities of its elected Board Members.

The Membership specifically supported a thorough look at the following elements of the election process:

- Candidate applications and Member voting should in future be acceptable by electronic as well as traditional hard copy methods.
- Candidates for Election should be allowed to communicate with Trust Members openly, using all available means including for example social media if they choose.
- The Election process should allow for Candidates to be openly questioned by Trust Members in a number of Formal situations (perhaps including a hustings event in the Victory Suite, an online Q&A etc), to enable the membership to form a more rounded view of the Candidates capabilities.
- That a new Election Process would be agreed and in place, in good time before the 2014 Elections.

These points seem to fit within parts 3 and 4 of the current Election Process and that is where we'd propose to start. A key focus will be to look at the following:

- How to manage electronic applications by candidates?
- How candidates can communicate with the membership openly, while at the same time ensuring that the process does not degenerate?
- How candidates can be given the opportunity to answer important questions from the membership before the Election? Should this be done face to face, online, or by other means?

- How the Trust can ensure that this process remains fair and as level a playing field for all candidates, while ensuring that the same basic key questions are asked of all candidates?
- What are the “upsides” and “downsides” of making changes to the Election Process based on each of the questions above?
- Which organisations can we look to as “similar” to PST to examine how they handle these questions? We don’t want to invent the wheel if we can re-purpose it from elsewhere. On first glance professional membership organisations (they are charities, have individual members paying a subscription, operate in a specific niche etc.) might be worth looking at. But we’d be open to suggestions.

So how does that look as a starting point for the Election Process Review?

As I will not be at the meeting tomorrow I have also included the structure of the presentation that was given to the AGM on 23rd September - see the attached PowerPoint and text for those who don’t do PowerPoint below. This has some biographical detail that will have to serve the “nice to get to know you” phase of the meeting.

Hope that helps.

Cheers

Paul

Paul Williams

APPENDIX 2.

**TEXT FOR AGM PRESENTATION
23rd September 2013**

Introduction - 6 parts

1. The Motion
2. About The Proposers
3. Why have we put this Motion up?
4. Questions
5. And Answers
6. Summary

Motion 2.2

“that PST Board should be tasked to come up with a new “fit for purpose” election Policy so that it is in place before the 2014 Elections after consultation with the Membership.”

REASON

- The new reality of PST as the majority shareholder in Portsmouth Community Football Club, means that a PST Trust Board Member could serve as a Director of the Football club. With this in mind it is paramount that the best possible candidates are elected by the Trust membership to the PST Board.
- The current Trust Election process does not allow for Trust members to ask candidates about their views and experience. It also does not allow candidates to explain to Trust members what their views and ambitions for the future of the Trust are.
- It is our view that the current PST Board Election process needs to be changed to give us the best chance of achieving that end.

The key changes we want to see are:

1. Candidates for Election should be allowed to communicate with Trust Members openly, using all available means including for example social media if they choose.
2. The Election process should allow for Candidates to be openly questioned by Trust Members in a number of Formal situations (perhaps including a hustings event in the Victory Suite, an online Q&A etc), to enable the membership to form a more rounded view of the Candidates capabilities.
3. Candidate applications and Member voting will in future be acceptable by electronic as well as traditional hard copy methods.
 - (i) To ensure that this happens, we want the proposed new Election process to be brought back to the Trust Membership for vetting and approval, well in advance of the next set of Elections so that we then have a "fit for purpose" process in place for them.

About the Proposers

Paul Williams: The Proposer of The Motion

- Born in St Mary’s Hospital in 1965, lifelong Pompey fan and have been a member of PST since 2010.
- With two others, wrote the final Plan B for the Trust as a “just in case” if the club had been liquidated.

Sue Maskell: The Formal Seconder of The Motion

- Well known as one of the Pompey Bloggers Co-operative who played a key role in getting the Football League to its “Trust Or Bust” position

Mike Fulcher: Formal Supporter of The Motion

- Lifelong Pompey fan, member of the Fans Conference
- Was one of the final Plan B team

Why have we put this Motion before the AGM?

- That is a good question.

And it gets to the heart of what the Motion is about.

- Questions
- And the Opportunity to ask them
- And the Opportunity to answer them

Questions 1

- We believe that the Trust Membership should have the opportunity to ask questions of the Candidates for Election before the Election?
- We also believe that Candidates should have the Opportunity to tell the Membership what they believe in and want for the Trust.
- If you look at the current Candidate Manifestos much of the 400 words allowed (we’d estimate between 40-80% looking at this year’s successful ones) is taken up with background information about who they are etc.

Questions 2 and Answers

- Relatively little space is allowed for or taken up with answers to obvious questions like (for example);
 - (i) When did you first become a Member of PST?
 - (ii) Why did you become a Member then?
 - (iii) What role did you have in helping PST take over the club?
 - (iv) What are the strengths and weaknesses of PST and how can they be improved?
 - (v) What role can you play in that process?
 - (vi) Where do you see PST in the future and what part can you play in getting us there?

Proposers’ Motivation/Summary

- There are many more sensible questions that could be asked of all candidates so we can get sensible and comparable answers to inform our voting choice.
- As PST Board Members are our Elected representatives The Proposers of This Motion believe that they are not alone in wanting to know more:
 - (i) About the candidates for Election before Voting.
 - (ii) About their views on key issues for PST and PCFC before voting.
 - (iii) I’d quite like to know what they all sound like.
 - (iv) With this in mind, we commend this Motion to the Membership and ask for your Vote to get it passed.

APPENDIX 3.

Pompey Supporters Trust
Report from PST Board
and
Chairman's Report

One topic has dominated the Trust's year to 31st March 2013 and thankfully it is one which ended with a very positive outcome. The time of the previous AGM was shortly after Portpin had decided to re-enter the race to own Portsmouth Football Club ("PFC"), worse still it looked as if they were in pole position. The PST board remained suspicious of Portpin's intentions and were unanimous in their view that the best long term future for PFC lay elsewhere. As a token of our commitment, we set up and paid for the Company which has now become Portsmouth Community Football Club.

Throughout the year the Trust negotiated with the Administrator and put together the Share Offer which was so emphatically supported by the fans. It also negotiated a Shareholders Agreement with those individuals who not only provided finance without which the Trust might well not have been successful but also endorsed the Trust's values.

The PST is now the majority owner of PFC, albeit shortly after the end of the year on which the Board is reporting. As I write this, we own somewhere in the region of 59% and were granted an initial period of one year to continue to buy shares. During the year the Trust concentrated not only on the battle to acquire the Club but to achieve its community aims. It supported many projects and will continue to do so. It is the aim of the Trust to use the year 2013/2014 to further the community aims and to ensure that PFC etc.

Chairman's report

Undoubtedly one item was the prime focus of the year, the battle to save our club, over the months there would be plenty of jostling to ensure the best possible future for our club and I am sure I speak for all of the bid team and the Board who entrusted us with the task, when I say that I don't believe any of us ever realised the amount of time and effort that would be required to bring this home. There are many people who do not always receive the recognition they deserve for their part in this remarkable achievement and I would like to highlight the contributions of the entire PST board, the Pompey bloggers co-op, other supporter clubs, fans conference, 12thman, SOS, local and national media, and all other contributors small and large.

Of course Portsmouth City Council and our MPs were vital to our ability to close the deal as were the Presidents and the Developer. The list goes on and on, it is the support from so many diverse groups that is truly astounding and what is important now is that we continue to show our unity to help drive Pompey back to where it belongs.

It is somewhat surprising that several hundred people have not yet converted their £100 deposit into a share nor have they asked for it to be refunded and the new board will be looking at other ways to encourage them to do so. Furthermore you will shortly hear about the launch of our scheme aimed at encouraging local businesses to buy a share and play a part in defining the clubs future. We must also recognise the part played by our Presidents who between them own the other 41% of PFC, some of whom also played significant roles in the bid process. Without them it is quite possible that the club would have disappeared forever.

We are now in a time of transition, education and evolution for the PST and its membership. *The new board will be working hard to determine how the PST operates going forward, how we raise funds, who we raise funds for and how best to interact*

with what is now one of the largest Trust memberships in the country. In return we must ask our members to be patient and albeit every board member is accountable we must learn to put our trust in those that have elected. Being a shareholder in the largest community club in Britain will not mean a vote on every decision, nor will it mean unlimited access to commercial & financial information, but what both the PFC & PST boards have to do is work towards the right model of collaboration and transparency that keeps our shareholders informed and the company able to operate effectively.

The board recognises that the society's rules might sometimes feel outdated, particularly regarding the responsibilities that we now have. We acknowledge this and welcome the motions to be discussed that might help shape some changes in the way we are governed.

Throughout the busy period of the bid our communications were ably led by Colin Farmery, although Colin will continue to offer some support and guidance to the PST he has now taken up a role at the club and as such stepped down from the PST. The board would like to thank Colin for all his efforts, which at times were consuming him for hours a day. Colin's departure has left a bit of a void which we have been working actively to fill and very soon we should once again have a communications & multimedia strategy that the board and membership are happy with.

Other departures from the board are Jo Collins, Dan Fearnley & Scott McLachlan. Jo has been an integral part of the PST since its inception and we hope that she will continue to support the board & Secretary with her excellent understanding of the society rules.

Unseen by many Dan has worked tirelessly on the administration side of the share issue, often a thankless task but an essential one.

Meanwhile despite walking the length and breadth of the country Scott has continued to participate in PST activities. The remaining board would like to recognise the efforts of all of those standing down and thank them for their contributions.

The primary business of the PST must now be, and has arguably always been the continued health and prosperity of PFC and I would like to assure our members that the financial position of the club is a positive one with all major revenue targets currently being surpassed. We hope that our supporters will continue to back the club and will be rewarded with the right results on the pitch, however we stress that the clubs projections cope with worse case scenarios. Albeit not part of our formal AGM we are pleased to be able to provide our members with an interim update from our senior staff at PFC and this is something we will continue to do.

Finally as Chairman I would like to say that I find it a tremendous honour to be a Director of PFC, and a responsibility that I take very seriously, something which I know is echoed amongst my fellow PFC board members. In addition I would like to offer my personal thanks to all of our members, shareholders, board members and the many people who have stood by the PST in its fight to achieve what many believed would not be possible. It was the accumulation of all these efforts and belief that was such a powerful weapon in our fight, and if we can continue to focus these for the benefit of the PST & PFC then we will achieve great things and play a major part in encouraging supporter involvement in football clubs across the country.

The latest accounts for the Portsmouth Supporters Society Limited are available to download from the Supporters Trust website: www.pompeytrust.com

APPENDIX 4.

Governance Report to PST Board 23/01/14

[Tony Foot]

To remind you, the second motion passed by members at the AGM read:-

“...the Rules and Election Rules are no longer fit for a Trust with a substantial stake in the ownership of the club. We therefore mandate the Board to set up a sub-committee to amend both, to reflect a co-operative business owner with a large number of stakeholders.”

This should include ways of making the Trust a democratic, consultative body for the stakeholders. The sub-committee shall report back to the membership with the proposals at an EGM of the Trust to be held no later than 31 March 2014.

The purpose of the motion is to mandate the Board to consult the membership and produce proposals for discussion over a sufficient period of time, not to try and set out in one motion at the AGM a pre-judged solution. “

The first motion was more specific and in essence said:-

Candidates for Election should be allowed to communicate with Trust Members openly, using all available means including for example social media if they choose.

- 1. The Election process should allow for Candidates to be openly questioned by Trust Members in a number of Formal situations (perhaps including a hustings event in the Victory Suite, an online Q&A etc), to enable the membership to form a more rounded view of the Candidates capabilities.*
- 2. Candidate applications and Member voting will in future be acceptable by electronic as well as traditional hard copy methods.*
- 3. As a subcommittee we have set out:-*

To produce a report for the Board which outlines different models and recommends the most appropriate model for the Trust as a substantial stakeholder in PCFC. A draft summary of the report and recommendations will be discussed with the membership and then put to the membership for them to vote at an SGM.

As a result of our meetings last Saturday, we now have been through the various documents which are attached and which I trust you will be able to read through and also give some thought to before our meeting on Monday 27th January when all of these will be discussed.

As a preliminary point I would mention that we have been leaned on by Supporters Direct to comply with their types of rules and policies. This has been welcomed by at least two non-Board Members, and the drafts reflect this.

I am afraid this does mean that there may be some agitation for rules which you, as a Board, would not support but there are various options which I have highlighted and these can be put in a consultation process to the membership.

You will see from the drafts that certain matters, currently in our Rules, or which might be introduced to them, have been put in Policies.

The difference so far as I can see, is that policies can be amended without having a special general meeting and lodging them with the Financial Control Authority.

The only two Policies that we have gone through in details, are

Election Policy

There are two options: restricted electioneering or a free for all (with as level a playing field as possible in such circumstances)

The sub-committee was divided in its opinion and therefore an alternative document dealing with this aspect has been prepared and is attached.

- Should Board Members who are not candidates be part of the Electoral Management Team?
- Should Board members be entitled to nominate or endorse candidates?
- Should names of nominators be published?
- Can PST afford hustings etc.?
- Is open campaigning fairer or not fair given the outspread nature of the electorate?
- The candidate's statement is to be increased to 1,000 words.

Board Membership and Conduct Policy

This is the most important document transferring many items from the Rules but beefing up a lot too. If this is the only one you read, that is fine.

Rules

- Is any reference to employees needed?
- To my mind Rule 10.4 is unduly restrictive. We have many members overseas or far too far away to attend General Meetings and we also have a number of members who have bought shares in memory of their nearest and dearest who held shares.
- We do have a problem with subscriptions or raising money for ongoing administrative expenses which we need to discuss at some stage.
- Another item we discussed was whether individuals could become members on birth but with non-voting rights until they were 16. In view of our previous history and how we have dealt with shares, I think it would be very difficult to unscramble this at the moment.
- Should we require at the AGM a report from the Club Board and a Financial Report from the Club.
- We had provision for notice of a General Meeting to be given by publication in the News or some other paper. This has been taken out but can be reinstated.
- 40-42 is reinstated from our rules, please note the comment at 52 and in particular the other letters e.g. less than 50% shareholding.
- Are people to be elected on a 3 year or 2 year programme?
- Should our Accounts coincide with the Club's e.g. the year end is the 30th June? We don't seem to get our Accounts out much before the AGM so it may well be possible.
- Word has been mentioned that we might have a performance audit.

Given the other items on the Agenda you may not have time to receive this Report. We have another meeting on 1st February and a current deadline of 31st March so we may need to call an extra meeting in mid-February, primarily to discuss this.

APPENDIX 5.

Extract

**Minutes of the PST Board Meeting. Monday, 31st March 2014,
Chimes Bar, Fratton Park at 19.00**

Present: PST EB Members: Mark Farwell (MF), Ashley Brown (AB), Tom Dearie (TD), Steve Tovey (ST), Mike Saunders (MS), Ken Malley (KM), Mark Trapani (MT), Mick Williams (MW), John Kimbell (JK) and Pam Wilkins (PW).

Secretary Tony Foot (TF).

1. Apologies - Membership secretary Steve Hatton (SH)

“3. Governance

Sue Maskell (SM) and Stuart Crow (SC) from the Governance Working Group (GWG) were present for this item.

There is confusion over the governance situation, which TD suggested should be done in such a way that the members can understand it. The EB thought decisions had been made at the last meeting as shown in the minutes.

i. Election Policy.

SC said this had been amended and is ready to present to the AGM, but SM felt members should decide the wording and that the election policy must go to the membership as instructed by the last AGM.

TF said all policies should go to a general meeting before the AGM and suggested a meeting in May or June. He thought there would be time for this. The election process will start in June. SC said as a board the EB is empowered if it chooses to decide a policy, but SM said the AGM motion instructed it has to go to a general meeting even though it is a policy rather than part of the constitution.

TF suggested that the two alternate election policies should be emailed to the membership with the recommendation that the EB's preferred choice should be accepted and the reasons why. The final version could then be put to the meeting.

SM then read out the governance group mandate paper from the last AGM which said that members should be consulted on the recommendations in the draft report, agree a final draft to be put to the PST board and then the final draft put to the membership at an SGM to vote on any recommendations or rule changes. Any rule changes will need to be registered by the FCA. AB felt this could end up with many options and that the EB had already chosen what we thought was the best option.

TF proposed that the membership is asked to comment on which of the two election policies they want with a recommendation that EB's preference is accepted and the reasons for doing so. TF will then prepare a paper which the GWG and EB will approve. TF suggested that the membership should have three weeks to reply and comment.

Meeting unanimously agreed to this.

ii. Disciplinary Policy

As agreed on and accepted at last EB meeting.

iii. PST Board Membership and Conduct Policy

TF will re-send amended version for the EB to approve by email.

iv. PST Board and Club Board Policy

TF said this policy is about how the PST EB is represented at the Club board meetings. SC said it had been thought this was contentious but it seemed not.

AB read out Section 7 on strategy. It had been agreed at the last EB meeting, as shown in the minutes, that James Mathie would tidy up this section and email the amended version to the EB.

TF said this section is about the Key Performance Indicators (KPI) which the PST board use to evaluate the performance of the Club.

SM said this document seems to call for an audit of the PFC board. AB said a Performance Audit had been contentious when the EB had discussed it. SM there are two performance audits, one is the Trust's performance, as shown in the constitution but the one in this policy is the performance of the Club, which is one of the things the Trust has to do. MT asked what the KPIs are and what depths are we going to with them? AB explained that this document says what responsibilities AB, MT and MW have on the PFC Board and the Trust board should determine the KPIs to judge the Club's performance. As PFC Directors they should do their best to perform to those KPIs.

v. Mark Farwell's Paper

SM said that there had been confusion over re-writing the articles of the Club as per MF's paper. The articles cannot be changed without a 90% shareholder vote which requires the majority of the Presidents to agree to that change. It is believed unlikely that the Presidents would agree. MF thought there was no reason for them to disagree and thought this should be done and his paper had given eight reasons why the articles should be changed giving new governance arrangements involving all signatories to the shareholders agreement to secure the assets of the Club once and for all and this would give a very robust governance framework in place where the business can be developed and capital expanded without having to convert into revenue to survive. MF felt the history for supporter owned clubs is not good and PFC should be the exception. On this basis he felt there should be agreement.

MW said that discussions about the 50% shareholding had caused distrust of PST amongst the Presidents and felt that if this had been done when PST had a higher percentage it might have worked.

AB suggested not all those present understood what MF's paper is proposing.

SC said there is a psychological perception that PST should have more than 50% and the EB should explain to the members this is not the case.

SC said MF's paper assumed that the PST is in a position that it is not. MF said the proposal is that the Presidents should co-join with the EB which would give good governance for PFC. The Trust needs to evolve and have good governance in place to prevent future benefactors taking over and taking the Club assets. He felt the shareholders agreement did not safeguard this.

MW said the power to issue shares is in the board of PFC, that is in the articles of association, the only way to change that is to change the articles of association which requires a 90% vote. SM asked how this prevented PST vetoing any shares sales when there are 3 PST members on the PFC board. AB explained MW is talking about issuing shares, and if a benefactor came in offering several million pounds then the PFC board would accept and PST could not veto the decision. It is in the board hands not the shareholders because this is how it was set up in the articles of association.

TF said there is a problem in that the share issue documentation says PST is going to be the majority shareholder.

MF proposed that the PST Board and the Presidents should co-join in a common cause and agree a set of governance arrangements for PFC to take forward as a group.

He thought we needed a period of consolidation and that PST should exercise governance oversight. He thought the members have an appreciation that we are doing something we did not. Others felt this would introduce an unnecessary third layer of governance. SM pointed out that the PST board could co-opt a President to the EB if they needed to.”
[End]