



MINUTES OF THE 1st ANNUAL GENERAL MEETING
7.30 PM, SEPTEMBER 5th, 2001
PRESS ROOM, TRINITY ROAD, VILLA PARK

Present: Acting Chairman Richard Arrowsmith (RA)
 Acting CEO Anthony Barnes (AB)
 Acting Finance Director Peter Warrilow (PW)
 Acting Investments Director Chris Monks (CM)
 Acting Community Director Dominic Moore (DM)
 Acting Secretary David Evans (DE)
 7 other members

Also present for first half: a reporter from Radio WM

1) Acting Chairman's Statement to Members

After thanking the assembled group for attending, RA asserted that he felt the future to be bright for the Trust. There was an irony that the meeting was being held in the New Trinity Road stand, for it was partly because of the demise of the old stand that the Trust was originally conceived.

The prime aim in the initial stages has been to build a legitimacy for the Trust - although early days, a good relationship with the club had been established, and good press coverage has been achieved particularly through Radio WM and Heroes & Villans. However, membership figures are poor: only 30 members since the launch in May 2001.

RA speculated that the famed apathy amongst Villa supporters oft quoted in the past for poor match attendances (during periods of mediocre team performances) and indifferent participation in club-related activities was the main reason for the disappointing membership numbers. He exhorted the people present to recruit friends, relatives and acquaintances to join up. He also reminded the audience that at the launch a list of long-term objectives had been laid out for the Trust.

2) Financial / Membership Overview

PW explained that basic guidelines for expenditure had been established. To date, the Trust has been reliant on key individuals, AB, for instance. The Supporters Trust will reimburse the AVS Trust £1,000 and this, combined with the £825 received from subscriptions and donations, has enabled the Trust to make its first investment in AVFC plc shares – 60 shares @£1.71 each. Although some set-up costs have been incurred, there is currently £700 in the bank.

The Trust has a proper structure and is ready for future growth. As an indication of support 3 Proxy votes had been received ahead of the impending AVFC plc AGM, with a share “value” of 300 shares.

A question from the floor to PW requested information on the relationship that AVST has with the Shareholders Association. PW replied that AB had had several meetings with them and had been told that the Shareholders Association had taken 10 years to firmly establish its position. It was asserted that the Trust will be open to all possible working relationships – and indeed their rules allows for the appointment of co-opted members to the Trust Board, which role the Shareholders Association could potentially take on if deemed in the Trust's interests.

It was agreed by members that the Shareholders Association is effectively moribund and that its membership (c.200 members) could prove a fertile recruitment ground for the Trust. The



other important group is the 14,000 small shareholders not involved in any shareholder organisation. It was suggested from the floor that the Trust should computerise the list of 14,000 shareholders and canvass them to join the Trust, the work being done in chunks of 1,000 at a time, by volunteers. Indeed, the warm relationship with the club might enable the Trust to access the list of shareholders (although doubts over the legality vis-à-vis the Data Protection Act were expressed).

Two further points were made on this subject: (i) the Trust should ensure that it is not so closely aligned with the Club that it disaffects potential members and ceases to appear to be wholly independent; (ii) Manchester City's supports Trust had apparently carried out an extensive – and ultimately wasteful – mailshot to City shareholders in its infancy.

The full and open discussion on membership ended with the following suggestions: (a) distribute membership application forms outside the ground on match days; (b) ask the club to insert them into matchday programmes; (c) ask to have application forms dispensed at the check-outs of the Club's Villa Village shops (and/or in the ticket office); (d) provide application forms to the Aston Social Club. All these, and other, membership drive ideas need to be discussed and actioned as appropriate.

3) Election of Executive Board

<u>Position</u>	<u>Candidate</u>	<u>Result</u>
Chairman	Richard Arrowsmith	Elected unanimously (12 votes in favour)
CEO	Anthony Barnes	Elected unanimously (12 votes in favour)
Finance Director	Peter Warrilow	Elected unanimously (12 votes in favour)
Investments Director	Chris Monks	Elected unanimously (12 votes in favour)
Community Director	Dominic Moore	Elected unanimously (12 votes in favour)

4) Election of Company Secretary

<u>Position</u>	<u>Candidate</u>	<u>Result</u>
Secretary	David Evans	Elected unanimously (12 votes in favour)

5) Financial Auditors

The Trust Board needed to be given authority to appoint Auditors, and the meeting duly gave unanimous support for this (13 votes). For information, PW is due to meet up with a potentially suitable auditor based in Milton Keynes – and he warned that the cost of audits coming not from the modest auditing job required on the Trust's accounts but on the professional indemnity insurance required by all auditors.

6) Voting Policy at Aston Villa plc AGM

AB explained that this Agenda item sought to obtain ratification from the members present for decisions made by the steering committee regarding voting at the plc AGM. A short discussion took place regarding the rules of the Trust apropos the required number of votes for decisions to be passed and the significance of proxy-votes. It was established that the proxy votes only have relevance in the event that the voting at the meeting is not conclusive.

- a) Re. authorising members of the Executive Board to speak on behalf of the members of the AVST and to complete the poll card as required:
 - i) RA was unanimously voted (12 votes) to speak on behalf of the Trust;



- ii) AB was unanimously voted (12 votes) to speak on behalf of the Trust;
- iii) CM was unanimously voted (12 votes) to speak on behalf of the Trust and to be the poll card signatory as required.

(Meeting was joined at 8.15pm by Mark Ansell and Steve Stride, plc Directors, for a question-and-answer session (see below). Meeting reconvened at 9.05pm).

- b) Re. accepting the plc Financial Accounts: meeting agreed unanimously (13 votes) in favour.
- c) Re. declaration of the final dividend: meeting voted against the plc declaring a dividend (3 abstentions, 10 against). Reasons given for voting against the resolution were that the money earmarked for the dividend could be spent more wisely (e.g. improvements to the training ground, youth development), there were serious concerns generally over the expenditure on the dividend. A discussion over voting tactics took place, with compelling arguments from all sides; with the vote finally for a negative response.
- d) Re. the re-election of Mr. Steve Stride as plc Director: meeting voted in favour (12 votes, 1 abstention).
- e) Re. the election of Mr. Graham Taylor as plc non-Executive Director: meeting agreed unanimously (13 votes) in favour.
- f) Re. the election of Mr. Peter Ellis as plc non-Executive Director: meeting voted to abstain from the election of Mr. Peter Ellis (9 for abstention, 4 against). Strong arguments were heard for and against his election. For example, arguments in favour were succession and protection of family holding in AVFC plc, and it is not known what role he will play in future, i.e. the plan may be for him to become non-executive chair. Conversely, the arguments against having a large dominant shareholder in a PLC and the history associated with the Ellis family holding. In addition, the discussion also included the political implications of a vote against on the work of the Trust in building up a working relationship with AVFC plc.
- g) Re. appointment of Auditors: meeting agreed in favour (8 votes in favour, 5 for abstention).
- h) Re. allotting securities under section 80 of Companies Act 1985: Meeting voted for abstention (5 votes in favour of passing resolution, 6 for abstention).
- i) Re. allotting securities under section 95(1) of Companies Act 1985: Meeting voted for abstention (5 votes in favour of passing resolution, 6 for abstention).

7) Any Other Business

RA encouraged a lively word-of-mouth campaign to build membership.

The meeting gave a vote of thanks to RA and AB.

There being no other business the meeting concluded at 9.35pm.



Notes from the /question and Answer session with Mark Ansell and Steve Stride:

Question: Where are we financially regarding the NTL funds, the commencement of the new TV deal and the sale of players?

Answer (MA): *The NTL deal is done and in the accounts. TV income will be spread over the next three years and reported in the P&L on a monthly basis. Last year, the TV money was £10-11 mill. p.a.: this year the sum will increase by at least £6 mill – the club believes that this increase will just about increase the rise in player-salaries.*

Question: What is the situation regarding managerial succession at Board level?

Answer (MA): *Put in perspective, there was only 1 executive Director 10 years' ago; there were 2 from 1994 onwards (Steve Stride); and 3 in 1996 (with the addition of Mark Ansell). So, there has been progress towards a more open management. The plc board operates in a consensual way, not dictatorially. Recently, functions were divided up amongst the board, to reflect the need for clearer accountability. Strengthening the middle management has also been ongoing. The decision to invite Peter Ellis onto the board as an NED was made in order to deal with the event of the demise of the chairman – with a family shareholding of 38%, it is better to have a close working relationship, not to have to deal with an estranged major shareholder.*

Question: what is the role of Graham Taylor?

Answer (MA): *GT is an NED – he has been brought in to add his special skills and knowledge in the running of football clubs. He has well-publicised other interests and would be unable to take a hands-on role in the playing side of the club, even if he wanted to.*

Question: Why has the Shareholders Forum been cancelled?

Answer (MA): *It has not been cancelled – the timing has changed, that's all. The timing has changed in order to avoid repeating all the questions of the AGM twice. Holding the Shareholders Forum at the new time – November / December – will enable the shareholders to raise questions to the manager and the Directors after a sufficient amount of the season has passed for the questions to have more resonance.*

Question: Why hold the AGM at an inconvenient time of day, such that many of the 14,000 small shareholders are unable to attend?

Answer (MA): *The AGM is for the wider business community, as well as the small shareholders, and institutional shareholders prefer the business-hours time of the AGM.*

Question: Why is the ticket-office ineptitude and poor PR still a problem?

Answer (SS): *Phones have been a real problem; a new system is being installed. Misquotes in the press after the Intertoto debacle have not helped, but we are aware of the problems. PR has been better since the arrival of the new PR / Marketing managers. (MA added that he hoped for significant further improvement on the website).*

Question: How do you perceive the AVST?

Answer (MA): *I treat it very positively. The negativity of recent times has really pissed him off, but now this more positive initiative (AVST) gives him some encouragement that the fans will be more constructive. Working with the club is the key: AVISA 'blew it'.*



Question: Are there any benefits to being a plc?

Answer (MA): *Unquestionably, since it generated £42 mill for the club. The fact that 38% of the shares are not available (Ellis family) means that there is a shortage of supply – it keeps the trading of shares healthy (!).*

Question: How will the club be able to help the AVST?

Answer (MA): *The club would like to help the AVST, but it cannot be seen to be helping such a fledgling organisation. My advice would be to seek support from the membership of the Shareholders Association; get stuck into their membership.*

Question: Why not have more regular fora for the fans?

Answer (MA): *It's all very well, but when things are going badly the fans just get emotional and emotive about the football; not really a shareholders' forum.*

The meeting thanked both Directors for the time they spent answering the questions.