



MEMBERS’ GUIDE TO PROPOSED RULE CHANGES AND NEW POLICIES (2024)

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Approved by the Board on 10/04/2024

Proposed Rule Changes - Introduction

Amendments to our Trust's Rules are only valid if they are approved by (a) the Financial Conduct Authority and (b) a General Meeting of Trust Members.

When deciding whether to approve amendments for Supporters' Trusts such as ours, the Financial Conduct Authority relies upon the advice of the Football Supporters' Association, which has already confirmed its approval of all the proposed new Rules described below.

This Guide therefore explains why Trust Members will be asked at our Annual General Meeting on Thursday 27th June 2024 to approve a completely new set of Rules, replacing the Trust's current Rules. Before that, however, the Guide explains how the amendment process will be managed and what you should do if you have any questions or if you would like to make any suggestions.

The proposed new Rules are generally identical to the current Rules. Anyone who wants to cross-check them word-for-word in order to spot the differences is welcome to do so. The purpose of this Guide is however to highlight and explain all those differences. Inevitably, the Guide is lengthy and detailed. To make it easier to digest, the changes are listed in the following order:-

1. important changes that the Trust wants to make to improve its operations;
2. important changes recommended by the Football Supporters' Association;
3. minor changes of a technical or cosmetic nature.

It is anticipated that some Trust Members will be unclear about some of the explanations given in this Guide: understandably, they will seek clarification and reassurance. Some Trust Members might also want to suggest additional amendments for consideration. It is highly desirable that such issues should be addressed fully before the Annual General Meeting, particularly as everything has to be approved in advance by the Football Supporters' Association. **An informal Information Session will therefore be held via Zoom at 7pm on Tuesday 30th April 2024.** If you would like to attend that Information Session, please use <https://www.redimpstrust.co.uk/contact-us/> to request the link. If you require clarification of any specific points or if you would like to make any suggestions, please send an email to media@redimpstrust.co.uk. The Information Session should enable the Annual General Meeting to run smoothly, without becoming bogged down in dealing with issues that could have been resolved earlier.

What is the procedure for changing the rules?

At least a fortnight beforehand, you will receive formal notice of the Annual General Meeting, which will be held by Zoom. If you would like to attend that meeting, please follow the instructions in the notice in order to obtain the necessary link. You will then be able to vote at the meeting for or against the proposed change.

If you cannot attend that meeting, you are entitled to appoint the Chair or another person as your proxy to vote on your behalf. You can instruct your proxy whether to vote for or against the proposed change. You will receive a form to appoint a proxy at the same time as receiving the formal notice of the meeting. You should follow the instructions on that form if you would like to appoint a proxy.

A quorum of at least 20 people (including those represented by proxies) is required to be present for the Annual General Meeting to be valid.

The proposed change will only be valid if at least 75% of the votes cast at the Annual General Meeting are in favour of it.

As previously mentioned, the proposed change will also only be valid once it has been registered with the Financial Conduct Authority (FCA). The FCA will register it if the Football Supporters' Association agrees to act as "sponsor" the change. We have asked the FSA to act as sponsor and it has agreed to do so.

Abbreviations used in this Guide

1965 Act	Industrial and Provident Societies Act 1965
1968 Act	Friendly and Industrial and Provident Societies Act 1968
1989 Act	Companies Act 1989
2014 Act	Co-operative and Community Benefit Societies Act 2014
AGM	Annual General Meeting
CBS	Community Benefit Society, of which RICT is one
CR	RICT's Current Rules, which were approved by the FCA in 2016
FA	The Football Association Limited
FAB	LCFC's Fan Advisory Board
FCA	Financial Conduct Authority
FPA	LCFC's Former Players' Association
FSA	Football Supporters' Association, an organisation representing football supporters
JOGC	John O'Gaunts Club, previously known as the RICT Gold Membership Scheme
LCF	Lincoln City Foundation, a non-profit making company limited by guarantee and a registered charity
LCFC	Lincoln City Football Club, the trading name of Lincoln City Football Club Company Limited
PR	RICT's Proposed Rules, being submitted for approval at the AGM
RICT	Red Imps Community Trust, the trading name of Lincoln City Supporters' Society Limited
SD	Supporters Direct, an umbrella organisation set up by the government in 2000 to assist Supporters' Trusts

How have the Trust's current rules evolved?

It's a bit complicated!

- RICT was first incorporated in 2001, under the 1965 Act, as supplemented by the 1968 Act.
- RICT's Rules from 2001 were then partially amended in each of 2008, 2009, 2011 and 2015.
- The 1965 Act and the 1968 Act were then replaced by the 2014 Act.
- In 2016, RICT's Rules from 2001 (as amended) were completely replaced by the CR, using model clauses issued by SD earlier in that year.
- In 2020, RICT's Rules from 2016 were partially amended, to list the fee payable and benefits receivable by RICT Gold Members.

Why are rule changes being proposed?

RICT's Rules from 2016 (as amended in 2020) now require further updating because:-

1. a new legal right has been granted (replacing an informal understanding), entitling two representatives of RICT to sit on LCFC's Board of Directors: provision should be made in RICT's Rules for those representatives to be elected democratically;
2. LCFC has granted "The Fans' Share" to RICT, giving RICT a right to veto any stadium disposal or relocation, any change of the club's name, crest or colours or any change of the name of the Stacey West Stand: provision should be made in RICT's Rules for it to host that share and to exercise the right of veto only if authorised to do so following a democratic vote of its members;
3. experience since RICT was set up over 20 years ago has demonstrated that the way in which it operates for the benefit of the club, its fans and the community can be improved still further: appropriate changes (including the removal of various anomalies that serve no useful purpose) should therefore be made to RICT's Rules; and
4. in 2018, SD merged with a similar organisation (the Football Supporters Federation) to form the FSA which, in 2022, issued new model clauses, replacing the SD's version from 2016: the FSA's familiarity with challenges encountered from time to time at other supporters' trusts around the country enables it to recommend amendments which overcome weaknesses that have come to light in the SD model clauses issued in 2016 – RICT is therefore taking this opportunity to move to the state-of-the-art model clauses issued by the FSA in 2022.

What are the most important rule changes that RICT wants make to improve its operations?

<u>CR</u>	<u>PR</u>	<u>Notes</u>
4.2	4.2	The expanded clause provides for democratic votes by RICT members (i) when electing two RICT representatives onto LCFC's Board [<i>For information: This has always been the case, under an informal understanding</i>] and (ii) before exercising the right of veto under The Fans' Share
10.2	11.2	The addition of the word "association" differentiates football from rugby
14 & 46	15, 16 & 47	The CR minimum age at which RICT members can vote or become RICT Board Members or hold RICT offices (e.g. secretary) is increased from 16 to 18, to align with the minimum age limits used by LCFC for its members and by the FA in its safeguarding children guidance
15 (2 nd)	N/A	RICT's membership categories were originally Gold, Silver and Bronze. Shortly after it was set up in 2001, its Gold Members were crucial in saving LCFC from liquidation. They revived a tradition, which can be traced all the way back to LCFC's Working Men's Committee (which was established as long ago as in 1896), of supporters joining together to buy shares in the club. Other membership categories (such as Youth, Honorary, Life and Small Business) have been added over the years in a piecemeal fashion. The only category for which the fee payable and the benefits receivable are specified in the CR is RICT Gold Members: administrative hurdles (including obtaining FCA approval) therefore have to be overcome for that category (but not for any of the other categories) when routine changes are required, e.g. to increase the fee (to reflect the impact of inflation) or to modernise the benefits (such as describing meetings with LCFC's Head Coach, rather than meetings with its Manager). LCFC's relatively recent adoption of the word "Gold" for its membership scheme for season ticket holders has led to confusion, which is being avoided by renaming the RICT Gold Membership Scheme as the JOGC, which is a reference to LCFC's original stadium. The PR do not specify the fee payable and benefits receivable by JOGC members. Instead, that information will be transferred to the new Membership Policy, which will also specify the fees payable and benefits receivable by all other membership categories. The process for increasing fees and modernising benefits will therefore be uniform and straightforward in all cases. RICT remains committed to the principles underlying the JOGC Membership Scheme, just as it has always been committed to the principles underlying its Gold Membership Scheme.
38	39	Confirmation of a previously "unwritten rule" that members represented by proxies at

		general meetings count towards the required quorum
41, 75 & 79	42, 77 & 81	Confirmation of a previously “unwritten rule” that the Vice-Chair should be the first choice to facilitate RICT meetings if the Chair fails to do so
46	47	Confirmation of a previously “unwritten rule” that votes by proxies are counted
56	57	The requirement that there must always be between 9 and 12 RICT Board Members is too restrictive for long-term efficiency: it is being relaxed, to require between 6 and 12 RICT Board Members <i>[For information: There are currently 10 RICT Board Members, excluding external co-options (see below)]</i>
59 & 61	60 & 62	The normal periods for which RICT Board Members serve is reduced from 3 years to 2 years, to align with the periods served by its elected representatives on the LCFC Board of Directors, with half (rather than a third) of the RICT Board Members being required to stand down (seeking re-election if they wish to do so) at each RICT AGM
63	64	If there are less than 12 RICT Board Members, additional Board Members can be co-opted to fill all vacancies (subject to a maximum of one third of the Board Members being co-opted), even if less than 12 Board Members were elected at the latest AGM, with all co-opted Board Members standing down at the next AGM
64	65	The maximum number of external RICT Board Members who can be co-opted is increased from 3 to 4, with clarification that they can be (but do not have to be) existing RICT members <i>[For information: there are currently 3 co-opted external RICT Board Members, namely representatives of the FAB, of the FPA and of LCF]</i>
79	81	To ensure that RICT’s Treasurer has the necessary qualifications, skills and motivation, the person filling that role is to be elected directly by RICT members, rather than being chosen by the RICT Board Members from within their own number: RICT’s representatives on LCFC’s Board of Directors are already directly elected by RICT members and the new RICT Elections and Voting Policy will extend that approach to the Treasurer and to other new roles that are key to delivering RICT’s strategic objectives (i.e. a Fan Engagement Team Leader, a Community Engagement Team Leader and a FSA Engagement Director), leaving up to 6 more places available for RICT Board Members (also elected by RICT members) who do not hold a specific portfolio – that should avoid the scenario of the elected RICT Board not containing anyone who is willing and able to serve as Treasurer

What are the most important rule changes recommended by the FSA?

<u>CR</u>	<u>PR</u>	<u>Notes</u>
10.3 & 13	N/A	The minimum age limit of 16 for automatic RICT membership is removed, as is the discretion to grant membership to people below that age on a non-voting and non-shareholding basis: there is no longer minimum age for membership or for holding a share, although see CR14 and PR15 above about the minimum age for voting
10.4	11.3	The requirement that all RICT members should agree to attend its General Meetings is unrealistic and has been removed
10	11	Removal of the power for the RICT Board to refuse membership (with no right of appeal) to applicants on the basis that, in the Board's subjective opinion, it is in the best interests of RICT to do so: instead, the RICT Board is committed to following the objective Disciplinary Policy published at https://www.redimpstrust.co.uk/policies/trust-policies/ , which is based on a template issued by the FSA
15	14	New provision, preventing deputies from acting for more than one corporate body or firm, to prevent individuals from artificially manipulating the process to acquire multiple votes
17.2	18.2	New provision, enabling transfers of RICT shares if shareholders lack mental capacity
N/A	22.7	Clarification that any RICT Community Shares are not transferable <i>[For information: Community Shares are only issued if RICT needs to borrow money from its members and are therefore different from the ordinary shares held by members]</i>
22.8	23.8	RICT members no longer have to give one month's notice when withdrawing from membership
26	27	Clarification that votes by proxies for RICT members are taken in to account
39	40	Clarification that general meetings may be held online
51	52	Clarification that written resolutions can be made in electronic form and that online voting is permitted
N/A	67	New provision, enabling ordinary RICT members, if there are no RICT Board Members remaining in post, to call a General Meeting to elect new RICT Board Members

73	75	Half (rather than a third) of RICT's Board Members must attend for RICT Board Meetings to be valid <i>[For information: As RICT currently has 13 Board Members, the required quorum increases from 5 to 7]</i>
N/A	80.2 & 80.3	New provisions, governing complaints about RICT Board Members, including options for suspensions and for removals
83.8	85.8	Deletion of the reference to an obsolete SD Membership Policy, with the insertion of a new asset threshold, above which accounts must be audited, rather than independently examined, in order to comply with FCA rules for a CBS such as RICT <i>[For information: That threshold is currently £5,400,000]</i>
95	97	Currently a Trust such as RICT (with around 6,000 members) can amend rules 3 or 7 (or this rule itself) if as few as 20 members attend a General Meeting; in future, for RICT, around 1,500 members will have to attend such a meeting in order to change those rules, which in practice is unachievable: it is however acceptable for those rules to be unamendable in practice, because they only mandate RICT's non-profit making community benefit purpose and prevent the distribution of profits to RICT's members, so no circumstances can be foreseen in which any amendment can possibly be justified
96	98	Currently a Trust such as RICT (with around 6,000 members) can convert into a traditional limited company or amalgamate with (or transfer its assets to) such a company or another society if as few as 20 members attend a General Meeting; in future, for RICT, around 3,000 members will have to attend such a meeting in order to make such arrangements, which in practice is unachievable: it is however acceptable for such arrangements to be impossible in practice, because the normal quorum provisions will still apply to amalgamations with or asset transfers to another CBS having a constitution similar to that of RICT
110	112	RICT's registered office is changed from LCFC's address to the business address of the current RICT Chair, to ensure that all correspondence receives immediate attention from RICT personnel <i>[For information: If the identity of the RICT Chair changes, there is a straightforward procedure to update RICT's registered office address to one associated with the new RICT Chair]</i>
110.1.1	112.1.1	Clarification that the addresses held by RICT for members can be either postal or electronic

What are the other proposed rule changes?

Note: These changes will not have any material impact on RICT's operations

<u>CR</u>	<u>PR</u>	<u>Notes</u>
1	1	Grammatical correction, by the insertion of an apostrophe after the word "Supporters"
1	1	The definition of "the Area" is amended to name local authorities, as this is now a requirement of the FCA: those words are only relevant for the purposes of PR 11.2 (referring to RICT members having an interest in football "in the Area"), PR 103.1 & PR 103.2 (both which relate to the location of sporting charities/societies to benefit in the unlikely event of RICT being wound up when solvent)
2	2	Definition of "the Act" updated to refer to the 2014 Act, which replaced the 1965 Act
2	2	Definition of "Address" now omits fax number [<i>For information: RICT no longer uses fax as a means of communication</i>]
2	2	Additional definitions of "Chair", "Secretary" and "Community Shares"
2, 6.13, 26, 29.7, 33, 44, 66 & 104	2 ¹ , 6.13, 27, 30.7, 34, 45, 68 & 106	Punctuation errors are corrected
2	2	Amended definition of "Independent Examination"
2 & 96	2 & 98	Additional definition of "Registered Society" because, under PR 98, the terminology changed when the 2014 Act replaced the 1965 Act
7.2.3	8	Rule re-positioned in change of layout
12	13	Confirmation of the FSA's accepted opinion that different subscription rates can be applied to different categories of members, e.g. adults, youths, small businesses, etc.
15, 22.3,	14, 23.3,	New references to unincorporated bodies and partnerships are more comprehensive

¹ In definition of "Society Board Meeting"

22.4 & 54	23.4 & 55	than the original references to unincorporated societies and corporate bodies
16, 26.1.2, 29.7, 64, 83.4, 83.6, 86, 87, 89, 90, 96 & 110.2	17, 27.1.2, 30.7, 65, 85.4, 85.6, 88, 89, 91, 92, 98 & 112.2	Cross-references to other rules are updated, due to variations in numberings between the CR and the PR
23, 27, 28, 62, 68, 111 & 121	24, 28, 29, 63, 70, 113 & 123	References to SD are replaced by references to its successor, the FSA
25	26	The opening phrase is re-positioned to a new paragraph above the Rule
27.2.2 & 108.2	28.2.2 & 110.2	References to “sub-committees” are corrected to “committees”
35	36	Wording is re-positioned to clarify that the advance notice to be given of general meetings is the same when hard copy correspondence is used as when communicating electronically
41, 52, 75, 90.2, 90.3, 90.4 & 99	42, 53, 77, 92.2, 92.3, 92.4 & 101	Gender-neutral terminology is used, e.g. “they” instead of “he or she”
49	50	Confirmation that the Rule is subject to the 2014 Act
52	53	Correction of the word “appointor” for the word “appointment”
66 &	68 &	Spelling of “bye-law” amended to “by-law”

105	107	
72	74	The omission of the title "Observers" does not affect their status
73	75	References to "Board Members" are amended to "Directors" for consistency with the preceding Rules and, to correct a grammatical error, the word "greater" replaces the word "greatest"
83.1 & 83.2	85.1 & 85.2	There is no material difference between "ensuring" that revenue accounts/balance sheets are prepared and "causing" them to be prepared
83.3, 83.5, 83.6, 83.7, 86, 87 & 113	85.3, 85.5, 85.6, 85.7, 88, 89 & 115	References to the 1968 and 1989 Acts are changed to references to the 2014 Act, which replaced them
84	86	Insertion of the word "Society"
85	87	Insertion in brackets of the words "if an auditor has been appointed"
95 & 101	97 & 103	There are new references to PR 9 (containing an asset lock), which has not been made operational, because the asset lock in PR 97 & PR 98 already gives more than adequate protection
111	113	The year of the Data Protection Act has been inserted
119	121	References to the obsolete 1965 Act and to the obsolete 1968 Act are replaced by a statement that RICT is registered as a CBS

Why are Trust Members being asked to ratify an Election and Voting Policy?

RICT's Current Rules 58 & 62 require elections to be conducted in accordance with an Election Policy that complies with any guidance issued by Supporters Direct. RICT's Board therefore adopted such a Policy several years ago.

Supporters Direct was replaced in 2018 by the Football Supporters' Association, which on 09/02/21 issued a new template for an Election Policy. Accordingly, RICT's Proposed Rules 59 & 63 require elections to be conducted in accordance with an Election Policy that complies with any guidance issued by the Football Supporters' Association, rather than by Supporters' Direct. On 20/10/22, in anticipation of the Proposed Rules being approved, RICT's Board adopted a new Election Policy in substitution for the previous one. The new Election Policy used the template issued by the Football Supporters' Association, departing from it only by:-

- i. personalising it, to show RICT's name and the date of approval by the RICT Board;
- ii. specifying that the maximum number of words to be included in any statement submitted by a candidate in support of his/her nomination was two hundred;
- iii. confirming that the term for which elected representatives should serve was three years, as specified in RICT's Current Rule 59;
- iv. omitting any maximum number of consecutive years for which elected representatives could serve, because (regardless of the arguments that could be made for or against such a provision) it could easily be circumvented, by co-opting a representative shortly after s/he resigned;
- v. ensuring that terminology was used consistently throughout; and
- vi. correcting a grammatical error.

RICT's Proposed Rule 4.2 mirrors amendments made to the constitution of Lincoln City Football Club Company Limited on 08/02/24 to:-

- create a legal right, in place of the long-standing informal arrangement, for two democratically elected representatives of RICT to sit on the club's Board of Directors; and
- issue a Fans' Share to RICT, requiring it to veto certain proposals, if those proposals are opposed by the majority of RICT Members who vote.

On 10/01/24, in anticipation of those amendments to the club's constitution being agreed, RICT's Board adopted an Election and Voting Policy in substitution for the Election Policy adopted in 2022. The Election and Voting Policy contains identical provisions to the Election Policy adopted in 2022, save that:-

Approved by the Board on 10/04/2024

- a. it extends the obligations on all candidates for election: not only must they comply with RICT's Board Membership and Conduct Policy, but they must also comply with RICT's Equality and Diversity Policy, RICT's Media Policy and RICT's Disciplinary Policy;
- b. it confirms that votes can only be cast by corporate members and (in line with RICT's Proposed Rule 15) by individual members who are at least 18 years of age;
- c. it reduces to two years the term for which all elected representatives will serve, in line with RICT's Proposed Rule 60;
- d. it clarifies that the Policy covers elections of RICT's representatives to sit on the Club's Board of Directors, as well as all other elections to RICT's Board, including the roles of Treasurer, Fan Engagement Team Leader, Community Engagement Team Leader and Football Supporters' Association Engagement Director;
- e. it confirms that all candidates elected to represent RICT on the club's Board of Directors should only accept that role if (i) they meet all requirements of the Owners' and Directors' Tests applicable to the competitions in which the club's first team competes and (ii) their election is approved by the club's Board of Directors;
- f. it describes the voting process to be followed when decisions have to be made as to whether the Fans' Share veto power should be exercised, the principles for that voting process being similar to the principles for the election process;
- g. it omits the statement that the Policy follows the best practice guidance of the Football Supporters' Association, because that Association has not yet issued any guidance as to how votes under "golden shares" such as the Fans' Share should be administered; and
- h. the date of approval by RICT's Board is changed from 20/10/22 to 10/01/24.

As a matter of best practice, for reasons of openness and transparency, RICT's Board invites RICT Members to ratify the Policies that it has adopted, even though it is not obliged to do so. The Election Policy adopted on 20/10/22 was ratified at RICT's Annual General Meeting on 29/06/23. RICT Members will therefore be invited to ratify the Election and Voting Policy adopted on 10/01/24 at the Annual General Meeting on 27/06/24.

Why are Trust Members being asked to ratify a Membership Policy?

RICT's membership categories were originally Gold, Silver and Bronze, with others (such as Youth, Honorary, Life and Small Business) being added subsequently in a piecemeal fashion. For the purposes of voting in any elections and when any question arises as to whether the Fans' Share veto right should be exercised, it is imperative that there should be absolute clarity as to whether any particular person is entitled to vote, with no ambiguity whatsoever as to the dates on which all membership categories will lapse if renewal subscriptions have not been paid. Such issues will be resolved by a Membership Policy, as described in RICT's Proposed Rule 4.2.

On 10/04/24, RICT's Board adopted a comprehensive Membership Policy, to take effect if the Proposed Rules are approved at RICT's Annual General Meeting on 27/06/24. That Policy contains:-

1. an introduction;
2. a statement of the general principles applicable to all membership categories;
3. for each individual membership category, confirmation of the:-
 - a. eligibility criteria;
 - b. subscription payable;
 - c. benefits receivable;
 - d. date on which membership will lapse if subscriptions are not renewed.

As a matter of best practice, for reasons of openness and transparency, RICT's Board invites RICT Members to ratify the Policies that it has adopted, even though it is not obliged to do so. RICT Members will therefore be invited to ratify the Membership Policy adopted on 10/04/24 at the Annual General Meeting on 27/06/24.