



DATED

21 October 2021

MEMORANDUM OF UNDERSTANDING

between

BATH CITY FOOTBALL CLUB LIMITED

and

BATH CITY SUPPORTERS SOCIETY LIMITED

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THIS MEMORANDUM OF UNDERSTANDING is dated 21 October 2021.

PARTIES

- (1) Bath City Football Club Limited (the ‘**Club**’); and
 - (2) Bath City Supporters Society Limited (the ‘**Society**’)
- each a ‘**party**’, together the ‘**parties**’.

1. BACKGROUND.

- 1.1. The Club and the Society together recognise the value of working openly and collaboratively in the spirit of their mutual interest in promoting the success of the Club. This Memorandum of Understanding (‘**MoU**’) sets out non-binding parameters to improve understanding between the parties of the basis on which they shall work together.
- 1.2. This MoU intends to a clear and workable balance between:
 - (a) the intended democratic nature of Bath City Football Club, pursuant to the Club’s 2016 community share offer, which offer promised to “*put democracy and community at its heart from day one*” with supporters and the community given “*a real voice in the club’s future*”; and
 - (b) the necessity for the Club, through its board, to be able to operate efficiently and effectively on a day-to-day basis.
- 1.3. The MoU therefore sets out a new and clearer relationship between the Society and the Club, helping both to achieve common goals in a system that values open discussion and welcomes and nurtures everyone who wishes to contribute. It is an agreed statement of intent, not a legal document. This reflects the fact that the Club operates through Club directors and many others giving their time voluntarily and operating in a spirit of goodwill. This MoU is intended to support people to get on with their jobs effectively and to make the most of the parties’ limited resources – it seeks to aid good management while clarifying how the Society can have a real say in key issues.
- 1.4. This MoU is intended to recognise that the future is uncertain and that circumstances and relationships may change but does not introduce any new powers or sanctions on top of those that already exist.
- 1.5. Accordingly, the parties wish to record the basis on which they will collaborate. This MoU sets out:
 - (a) the respective roles of the Club Board and the Society Committee;
 - (b) the key matters for consultation between the parties;
 - (c) the principles of collaboration; and
 - (d) the parties’ joint working arrangements.

2. LEGAL STATUS OF THIS MEMORANDUM OF UNDERSTANDING

- 2.1. This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this MoU as a result of this MoU. The parties enter into the

MoU intending to honour their commitments contained in it, but no such commitment of one party shall be enforceable by the other party.

- 2.2. For the avoidance of doubt, the parties agree further that this MoU does not and shall continue not to:
- (a) bind, subordinate or otherwise prejudice the legal duties of the Club, the Society, or the directors of the Club and/or the Society;
 - (b) prejudice the interests of the minority shareholders of the Club;
 - (c) prejudice the Society's rights from time to time as majority shareholder of the Club;
 - (d) amend, take precedence to, or otherwise influence the interpretation of:
 - (i) the Club's Articles of Association;
 - (ii) the Shareholders' Agreement of the Club's shareholders; and/or
 - (iii) any other legally binding and enforceable agreement or constitutional document or right or obligation of either of the parties.
- 2.3. Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, nor authorise either of the parties to make or enter into any commitments for or on behalf of the other party.

3. ROLE OF THE CLUB BOARD.

- 3.1. The board of directors of the Club (the '**Club Board**') is responsible for running the Club, managing all resources within applicable financial and legal frameworks. Its responsibilities include, but are not limited to, managing football matters, finances, assets, operational matters, sales and marketing, and promoting Bath City Football Club in the community and beyond. The Club Board has full responsibility for the employment of staff including making appointments. It also works jointly with the Society to develop and agree Club strategy.
- 3.2. Six of the nine Club Board directors are directly elected by the Society's members. The Society's standing orders for democracy and accountability say that "*Society representatives (on the Club Board) will use their individual judgement in taking decisions. However, in certain circumstances... the Society Board (ie Committee) may instruct its representatives how to vote on specific issues*". Those circumstances shall include (without limitation) the Reserved Matters in section 6 of this MoU.

4. ROLE OF THE SOCIETY COMMITTEE.

- 4.1. The Society is a democratic members' organisation and the majority shareholder in the Club. The Society is run by its committee (the '**Society Committee**').
- 4.2. The Society Committee's main functions include:
- (a) representing the interests of the Society's members in accordance with its Objects of the Society and other applicable constitutional documents;
 - (b) jointly developing and agreeing Club strategy with the Club Board and empowering the Club Board to operate within that strategy (see section 5 below);

- (c) consultation with the Club on all Reserved Matters (see section 6 below);
 - (d) engagement of Society members, facilitating them to have a real voice in the Bath City Football Club, bringing issues to the attention of the Club Board, and increasing its membership so that more local people can be involved; and
 - (e) operating the Society and election procedures efficiently and effectively, in line with its constitution and applicable legal requirements.
- 4.3. In facilitating member (and on occasion wider) consultation the Society both reflects the community focus of Bath City Football Club and provides real practical support to the Club Board.

5. DEVELOPING STRATEGY.

- 5.1. The term ‘strategy’ can mean many things but for the purposes of this MoU it shall refer to an agreed future direction for the Club and particularly the agreement of a small number of strategic objectives (the ‘**Key Objectives**’).
- 5.2. The Key Objectives will be specific, measurable and have a timescale. Each Key Objective should be accompanied by a short explanation and/or supporting evidence, and shall be developed jointly by the Club and the Society through consultation with stakeholders including supporters and the wider community.
- 5.3. Key Objectives should be supported by a concise business plan with high-level income and expenditure forecasts.
- 5.4. The Key Objectives shall be approved in joint meetings between the Club Board and the Society Committee (each from time to time) and shall be agreed in writing by each.
- 5.5. The Club shall be responsible for implementing the Key Objectives (subject always to section 2 of this MoU),
- 5.6. The Club shall further consult the Society by way of meeting between the Club Board and the Society Committee (or the duly appointed delegates of each) in the case of significant variation to the execution of any Key Objective.

6. RESERVED MATTERS FOR SOCIETY CONSULTATION.

- 6.1. The Club and the Society each recognises that the matters listed in this section 6 (the ‘**Reserved Matters**’) are of fundamental importance to each party.
- 6.2. In recognition of the importance to the Society of the Reserved Matters, and without prejudice to section 2 of this MoU, the Club shall:
- (a) consult with the Society Committee in respect any decision, change, or development to any Reserved Matter; and
 - (b) where appropriate in accordance with any rights and obligations of the Club and/or the Club Board (and/or any other director of the Club from time to time), and always subject to applicable law, request the Society’s prior approval before proceeding with any decision, change, or development to any Reserved Matter.

6.3. The Society Committee may in each case decide whether it needs to further consult its membership prior to any decision in respect of any decision, change, or development to any Reserved Matter.

6.4. The Reserved Matters shall be:

- (a) strategic objectives and high-level business plans of the Club;
- (b) any change of name to Bath City Football Club;
- (c) any change of Bath City Football Club's colours;
- (d) any change of Bath City Football Club's badge/logo;
- (e) the sale or disposal of any material Club assets;
- (f) the issuance of shares in the Club;
- (g) any redevelopment of the Club stadium, including, prior to submission, any potential planning applications;
- (h) relocation of the Club stadium;
- (i) the sale, purchase or lease of land or buildings;
- (j) any secured or unsecured borrowing in excess of £50,000 in any 12 month period;
- (k) any changes to the capital structure of the Club or its legal status;
- (l) the incorporation of any new subsidiary or associated company of the Club;
- (m) any extension of the Club's activities into significant new business areas and any decision to cease to operate all or any significant part of the Club's business;
- (n) the passing of a resolution for the winding up of the Club;
- (o) the appointment of a receiver, administrator or administrative receiver over the whole or any part of the assets of the Club or the making of any arrangement with the creditors of the Club for the affairs, business and property of the Club to be managed by a supervisor; and
- (p) such other matters as may be agreed between the Club and the Society from time to time.

6.5. The parties acknowledge that it is impossible to foresee every eventuality or issue of mutual concern, and that the ethos of the parties is of mutual co-operation. Accordingly, any new and strategically important issue to the Club not expressly addressed by the MoU shall, in the spirit of co-operation, be treated by the Club as if it were listed in section 6.4 above.

7. PRINCIPLES OF COLLABORATION.

The parties agree to adopt the following principles in their conduct with one another:

- (a) collaborate and co-operate. Establish and adhere to the joint working structure set out in this MoU to ensure that activities are delivered and actions taken as required;
- (b) be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
- (c) be open. Communicate openly about major concerns, issues or opportunities relating to Bath City Football Club;

- (d) learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
- (e) adopt a positive outlook. Behave in a positive, proactive manner;
- (f) adhere to statutory requirements and best practice. Comply with applicable laws and standards;
- (g) act in a timely manner;
- (h) manage stakeholders effectively; and
- (i) act in good faith to support achievement of the Key Objectives and compliance with these principles.

8. JOINT WORKING ARRANGEMENTS.

- 8.1. The Society Committee and Club Board shall meet twice a year, although other meetings may be arranged if required by either party. These meetings will be an opportunity for all members of each body to:
- (a) jointly agree strategic objectives and business plans;
 - (b) review progress on strategy implementation;
 - (c) raise questions and concerns;
 - (d) Look ahead and jointly plan for the future including agreeing a calendar of events (such as meetings of the ‘Bath City family’ if required);
 - (e) agree what practical support the Society can offer the Club; and
 - (f) discuss matters relating to the composition of the Club Board, any skills gaps of the Club Board and/or the Club generally, and the reasonable mechanisms that the parties can (respectively and/or together) take to address such gaps. This may, where appropriate, and subject in all cases to the constitutional arrangements of each of the Club and the Society, include discussion as to current and prospective Society appointees to the Club Board.
- 8.2. Chairing of the joint meetings will normally be rotated between the Chair of the Club Board and the Chair of the Society Committee.
- 8.3. The Chair of the Supporters Society (or a representative) will continue to routinely attend Club Board meetings. One other Society Committee member should be welcomed to Club Board meetings, and a Club Director should be similarly welcomed to Society Committee meetings.

9. VARIATION.

The parties may vary this MoU from time to time by mutual agreement in writing.

Signed for and on behalf of Bath City
Football Club Limited

Signature:

Name:

Position:

Date:

Signed for and on behalf of Bath City
Supporters Society Limited

Signature:

Name:

Position:

Date: