

AST statement of principles and policies for 2018

The founding principles of the AST are set out in detail on our website (www.arsenaltrust.org) and in its constitution, but as times change and different challenges arise for the club and supporters it is important to update and amend the policy aims and objectives of the organisation.

In January 2018 the AST Board reviewed its activities and produced this updated document. It builds on feedback received in members meetings and from surveys we undertake. We welcome further feedback from members at any time to info@arsenaltrust.org

The history of the AST

The Arsenal Supporters' Trust was founded in 2003. Our objectives were to:

- Facilitate wider supporter involvement in Arsenal
- Promote the interests of supporters who own shares in the club
- Facilitate and promote wider supporter ownership of Arsenal

From inception, the AST strove to develop and maintain a strong working relationship with the club as part of our commitment to raise the profile and understanding of financial and ownership issues, and promote the interests of supporter-shareholders. This relationship was established with the Arsenal Board while Keith Edelman was CEO, and continued through the early years of Ivan Gazidis in that role. This led to co-operation on the establishment of Fanshare (see below) and other changes to benefit supporters, such as the introduction of the 'Young Guns' enclosure and greater transparency on the club's cash position. However, in recent years the club has responded to valid criticisms of such things as Board diversity, corporate governance issues and how the AGM is run, by reducing AST access to Arsenal directors and executives. We are working to reverse this for the benefit of members and all small shareholders and supporters, without sacrificing the principles on which the AST was founded.

The AST established Arsenal Fanshare, a scheme designed to allow more supporters a chance to own a share in Arsenal. Over 2,000 supporters were members of Arsenal Fanshare, which, at its peak, owned 116 Arsenal shares, making it the third largest shareholder. Sadly the scheme had to close due to reduced liquidity in shares following large-scale buying by Alisher Usmanov and Stan Kroenke, and the withdrawal of support by Arsenal following Stan Kroenke's takeover. In 2014 the Board members of the Arsenal Fanshare Scheme took the decision to close the scheme down. A full explanation of the reasons for this are set out here: <http://www.arsenalfanshare.com/>

We currently have around 1,000 paying members, many of whom are individual shareholders in Arsenal.

Approximately three per cent of the club's equity is owned by small shareholders like us. The AST itself now owns six shares in Arsenal.

Arsenal has changed: New ownership arrangements

When the AST was founded, Arsenal's Board and major shareholders were part of a plural ownership structure that took a custodianship approach to the club's development. All of the major shareholders and Board members were lifelong Arsenal fans, with three generations of Hill-Woods and Bracewell-Smiths serving as chairmen and/or Board

members. The Board largely worked together to do what was right for the club and monies raised by Arsenal were reinvested to make the club stronger.

As well as the larger shareholders on the Board, there were a couple of thousand smaller shareholders who held around ten per cent of the shares. With Arsenal being a public company the Board did (and do) have to answer to all shareholders, up to a point, with important accountability and transparency occurring through the publication of the Company Report and Accounts and the holding of an Annual General Meeting to which all shareholders must be invited.

In 2011 Stan Kroenke became majority owner of Arsenal and now holds a stake of 67 per cent. The other Board members sold all of their shares to him, and while several remain on the Board they do not represent any equity interests.

To date Stan Kroenke has maintained a very low profile as owner and, despite promises to do so, has not met with the AST or any other supporters' group. There is a lack of clarity as to his long-term ambitions for Arsenal and why he chose to purchase the club. His purchase of a 50 per cent stake in Arsenal broadband at the time of his first share purchase may, however, be indicative.

AST Principles: How we believe Arsenal should operate

The AST continues to believe that Arsenal is too important to be owned by any one person. The best ownership model for Arsenal will always include supporters being represented and involved in the ownership structure as shareholders. We understand the reality that any stake in Arsenal is available to buy at any time should someone make an acceptable bid, but we will oppose any attempt to buy the club outright and take it into single ownership.

We believe that ideally at least ten per cent of Arsenal shares should be in the hands of small shareholders and/or supporters' groups. Alternatively, there should be supporter representation on the club Board and/or much more structured relationships with the owners and directors. This would allow interested supporters to have an appropriate voice, the opportunity to be engaged and to feel that they belong to the club. This still occurs at other leading European clubs such as Barcelona and it is integral to the German ownership model.

The AST supports Arsenal being run as a sustainable business and does not support the creation of a business model that places the future of the club at risk by exposing it to excessive levels of debt.

The AST would fight any plans by an owner or future purchaser of Arsenal to charge their acquisition debt against Arsenal and use the club's income to service this debt, as has happened at Manchester United (and Liverpool under Hicks and Gillett). We want to see profits made at Arsenal reinvested into the club and we do not support dividend payments or excessive management salaries or consultancy fees as a way of extracting money from the club.

The AST intends to always seek dialogue with the club Board and Chief Executive on ownership subjects, as well as with any major shareholder outside the Board and other relevant parties.

A long-term view should always be taken with regard to football results and the club's performance; we do not believe that reacting to individual events such as losing any single match is the best way. It is not current AST policy to make specific criticism on the football personnel of the club, particularly during the season. However, we are ultimately answerable

to our membership on policy and will always represent members' views to the best of our ability.

AST Priorities for 2018

Our present general activities include: liaising with the club's major shareholders, directors and executives; scrutinising Arsenal's financial progress and governance arrangements; attending club events; and widening understanding of how Arsenal is run by stimulating discussion of key issues at Arsenal and in the wider football community.

The following sets out the specific priorities of the AST Board for 2018. These policy positions are influenced by the AST annual survey and feedback from members at AST meetings, online and elsewhere.

- To independently review the corporate governance of Arsenal and urge appropriate modernisation and policies that support the future of the club
- To provide independent analysis and review of Arsenal's finances to enable Arsenal supporters to better understand how the money they put into the club is used
- To seek further explanation from Stan Kroenke as to his vision for Arsenal and to encourage him to engage personally with Arsenal fans and other shareholders
- To maintain a dialogue with both major shareholders in Arsenal and urge them to work together to make Arsenal a stronger club
- To promote more affordable ticket prices at Arsenal and at all football games, and fairer distribution of tickets to Arsenal fans, including maximum use of tickets at home games through development of an improved Ticket Exchange
- To support policy change by both Government and the Football Authorities that would see football fans given a greater say in the ownership of football clubs, including through the proposed changes to the Premier League rulebook on structured dialogue between clubs and supporters
- To support the campaign for better scheduling of TV fixtures and thereby reduce the disruption, cost and inconvenience that kick-off changes cause for fans
- To support the campaign to allow safe standing at football grounds so that more supporters have a better choice of whether to stand or sit
- To establish links with the Islington Council's Arsenal Safety Advisory Group (SAG) and contribute to the key issues it raises