



Saturday 25th September 2010 at 11.45am (prompt)

Zelig's, Liverpool One, Liverpool

AGENDA

1. Opening address – Fran Stanton, Chair, Spirit of Shankly

2. Reports

- a. Branches**
- b. Club Liaison**
- c. New Media**
- d. Marketing**

Questions from the Floor for Committee members relating to their areas of responsibility

3. Spirit of Shankly-Share LiverpoolFC

- a. Presentation of Resolutions (see below)**
- b. Address from Peter Furmedge - Spirit of Shankly Representative on SOS-SL Board**
- c. Address from representative of Share LiverpoolFC**
- d. Confirmation of Voting Arrangements (Graham Smith)**

4. Report on Ownership/Re-financing Issue

- a. Current Knowledge**
- b. Committee Proposal for future action/campaigns**

See attached briefing at Schedule Two

5. AOB

Please note that we have received a report that Partners (our Credit Union partner) hope to be able to approve the opening of the Partners-Spirit of Shankly Credit Union prior to this EGM.

As such there may be a change to the agenda to accommodate a presentation by Partners explaining the working of the scheme.

Should things go to plan we hope that Partners will be able to open accounts at the EGM for those wishing to commence investment. Funds will not be needed on the day to open the account.



Resolution One

That the Union agrees to the terms negotiated by the Management Committee for the Heads of Agreement attached at Schedule One

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer

Resolution Two

To amend the LSU Constitution by the addition of:

11.9a The Committee will co-opt two additional members nominated by the Board of Share LiverpoolFC. These members will be full members of the Management Committee and will sit in addition to the number and members listed in 11.1 above and will be deemed "eligible members" by their nomination by the Board of Share LiverpoolFC

11.9b The provisions within 11.9a above need to receive annual approval by the Union at its Annual General Meeting. The first such approval will be at the 2011 AGM.

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer

Resolution Three

To allow the Spirit of Shankly Liverpool Supporters' Union to pay the £500 cost for each of the shares required to be issued to Share Liverpool FC members to qualify for Board membership. Such shares to be held on trust for the Union by the appointed Spirit of Shankly members to the SOS-SL Board

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer

Resolution Four

To amend section 5.13.1 of the Constitution by substituting "50" for "25"

5.13.1 The Branch will have at least 25 members who have subscribed to that Branch in the form set out by the LSU Management Committee

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer

Resolution Five

To amend section 5.13.9 of the Constitution by substituting the "250" for "100"

5.13.9 No Branch may contain more than 250 members;

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer

Resolution Six

To support the strategy detailed by the Committee proposal in Schedule Two

Proposed: Fran Stanton, Chair
Seconded: Jon-Paul Hill, Treasurer



Schedule One

HEADS OF AGREEMENT

THIS AGREEMENT IS DATED

2010

1 PARTIES

- 1.1 Liverpool Supporters' Union Limited ("SOS") of EDT, 98 Great Homer Street, Liverpool, L5 3LF and;
- 1.2 Share Liverpool Limited ("SL") of Horwath Clark Whitehill LLP, Arkwright House, Parsonage Gardens, Manchester, M3 2HP

2 PREAMBLE

- 2.1 The parties have agreed to work together for the purposes of acquiring a partial share, or full ownership, in Liverpool Football Club ("LFC");
- 2.2 The parties acknowledge that the individual organisations described in Schedule One will operate for the benefit of Liverpool Football Club supporters as a whole and their individual members, subscribers and shareholders;
- 2.3 SOS is an Industrial and Provident Society which was established in 2008, whose purposes are to represent the fans of LFC over a broad range of issues (which includes the ultimate aim of fan-ownership of the Club). SOS is made up of approximately 7,000 full members and over 30,000 associates that follow its activities on a regular basis.
- 2.4 SL is an Industrial and Provident Society which was established 2008, with the primary purposes of strengthening the bond between the Club and the community and of pursuing the acquisition of an interest in Liverpool Football Club. SL is made up of less than 20 share-holding members and has 30,000+ registrants who have expressed an interest to become members of the Society in order to acquire an interest in LFC. SL also has an agreement in principle to £250,000 to underwrite the launch of any share issue.
- 2.5 The parties agree that the individual organisations described in Schedule One will have control over their own affairs subject to the commitment made by them in paragraph 2.2 above and the agreed commitments given in Schedule Two;

3 SHARE LIVERPOOL

- 3.1 SL agree that within a reasonable time and no later than one month from the date of this agreement to rebrand all promotional, public relation, electronic and written media and other materials to reflect the agreed branding of SL to "Spirit of Shankly – Share Liverpool Limited" ("SOS-SL") and to announce the rebranding via SOS-SL Media (see below) accordingly;
- 3.2 SL accept that the aims and objectives of SOS are a matter for the SOS Management Committee subject to the overriding aims agreed in 2.2 above;
- 3.3 SL accept and acknowledge that its conduct, actions and activities may have implications for SOS and will proceed taking account of this at all times;
- 3.3 The SL Board, in accordance with its Constitution, will comprise of no less than six members and no more than eleven members;
- 3.4 Subject to there being two member representatives of SOS, who are also members of SL, at least two of the SL board who have been nominated and appointed by the SOS Management Committee will be selected or elected by SL onto its board. They will be full members of the SL Board and will count towards the numbers detailed in 3.3 above;



- 3.5 Any future change to the membership or composition of the SL board of management will be made in line with the SL constitution;
- 3.6 SL agrees that the tasks of Public Relations, Marketing and Communication will be shared with SOS under the branding ("SOS-SL Media") which will coordinate all public relations, media and communication matters arising relating to supporter ownership as detailed in Schedule Three.
- 3.7 SL will, following the completion of 3.1 above, adopt and use the joint SOS-SL branding, logos and other promotional material as agreed by SOS-SL Media;
- 3.8 In line with the constitution and subject to agreement by the Financial Services Authority SL will accept membership from individual supporters and groups when in a position to do so;
- 3.9 Any individuals who become members of SL will be offered membership of SOS;
- 3.10 The SL board will not disqualify any of its membership from holding positions of management or being a board member of either the boards of SOS or SOS-CU, subject to issues arising as a result of legislation or regulation ;
- 3.11 SL agrees to hold any confidential Information obtained from SOS in confidence and not to disclose or permit it to be made available to any person, firm or company without the prior permission of the SOS Board

4 SPIRIT OF SHANKLY

- 4.1 SOS accept that the aims and objectives of SL are a matter for the membership of SL subject to its constitution and the overriding aims agreed in 2.2 above;
- 4.2 SOS accept and acknowledge that its conduct, actions and activities may have implications for SL and will proceed taking account of this at all times. SOS specifically will not proceed with a course of action which may hinder or obstruct negotiations that SL may have with respect to its purchase of a stake in LFC;
- 4.3 SOS agrees to place before its members an amendment to its Constitution to allow two members Share Liverpool to be co-opted as full members of the SOS Management Committee;
- 4.4 Nothing will disqualify any current SOS Management Committee member from sitting on any or all of the boards of management of SL, SOS or SOS-CU;
- 4.5 SOS agrees that the tasks of Public Relations, Marketing and Communication will be shared with SL under the branding ("SOS-SL Media") which will coordinate all public relations, media and communication matters arising relating to supporter ownership as detailed in Schedule Three.
- 4.6 SOS agrees to hold any confidential Information obtained from SL in confidence and not to disclose or permit it to be made available to any person, firm or company without the prior permission of the SL Board

5 CONFIDENTIALITY

- 5.1 Each of the parties agree to keep confidential all information obtained from the other in confidence and not to disclose or permit it to be disclosed to any person, media or entity without the prior written consent of the other party, except (i) to the extent that such disclosure is necessary for purposes of (A) responding to inquiries or requests from governmental regulatory agencies, (B) obtaining legal, accounting, auditing or other professional services or (C) filing tax returns or other legally required documents or (ii) as may be required by law, any competent authority or policy.

6 TERMINATION

- 6.1 In the event either party breaches any of its obligations under this



agreement, then the other party shall have the right to forthwith terminate this agreement by giving notice to the other party in accordance with paragraph 6.2 below. Save for the parties obligations in relation to confidential information set out in paragraph 5.1 which shall continue notwithstanding any termination of this agreement, all the respective obligations of each of the parties under this Agreement shall terminate upon notice of termination being deemed to have been given in accordance with paragraph 6.2 below.

6.2 Any notice required or permitted to be given under this agreement shall be given by recorded post sent to the relevant party at the address specified for that party in Schedule 1 or such other address as shall from time to time be notified by that party to the other party in writing. Each such notice shall be deemed to have been given when mailed, as evidenced by the receipt issued to the sender.

6.3 SL shall also have the right to forthwith terminate this agreement by giving notice to SOS in accordance with paragraph 6.2 if the membership of SOS does not approve the amendment to the constitution of SOS as contemplated in paragraph 4.3 within one month from the date of this agreement.

7 NO PARTNERSHIP

7.1 The parties hereby confirm that this agreement and the arrangements provided for in this agreement do not constitute a partnership between the parties and that no partnership shall be deemed to exist as a result of the parties performing their respective obligations to each other under this agreement or otherwise.

8 GOVERNING LAW

8.1 This Agreement shall be governed by and construed under English law.

SCHEDULE ONE

9.1 Liverpool Supporters' Union Limited of EDT, 98 Great Homer Street, Liverpool, L5 3LF;

9.2 Share Liverpool Limited of Horwath Clark Whitehill LLP, Arkwright House, Parsonage Gardens, Manchester, M3 2HP;

9.3 Liverpool Supporters Union also trading as Spirit of Shankly Credit Union of EDT, 98 Great Homer Street, Liverpool, L5 3LF;

SCHEDULE TWO

10.0 To act at all times to encourage supporters' ownership of Liverpool Football Club;

10.2 To act at all times with due regard to the aims and objectives of the organisations listed in Schedule One above;

10.3 Not to engage in any activity detrimental to the aims and objectives of the organisations listed in Schedule One above;

10.4 In order to investigate a potential transaction with the owners of LFC, both SOS and SL will have access to certain information in relation to both the SL bid and of LFC itself ("Confidential Information"). Both parties agree to keep any such information confidential.

10.5 SOS and SL agree to ensure that each person to whom disclosure of Confidential Information is made is fully aware in advance of the confidential nature of the information and their obligations under this agreement and that each such person gives an undertaking in respect of the Confidential Information.



SCHEDULE THREE

- 11.1 The parties to these Heads of Agreement will establish, within two months of the date of this agreement, a joint Public Relations, Marketing and Communication team to be called SOS-SL Media; SOS-SL Media will promote the aims and objectives of SOS, SL & SOS-CU on issues solely relating to supporter ownership;
- 11.2 The team of SOS-SL Media will comprise the following permanent positions, Chair, Member, Member, Member;
- 11.3 SOS and SL will agree the appointment of a Chair of SOS-SL Media from the membership of SOS or membership of the SL Board;
- 11.4 Subject to the agreed appointment of a Chair from either organisation the appointment of the three further permanent positions will be agreed by the SOS Management Committee and the Board of SL in such a way that the four permanent positions are held by two representatives of each organisation;
- 11.5 SOS-SL Media will be managed by its permanent members who will have the only decision making powers (by vote or otherwise) having regard at all times to the terms of this agreement in Schedule Two

SCHEDULE TWO

STRATEGY

The Union has been highly successful in its “Tom and George Not Welcome Here” campaigns. We have played a significant part in seeing the Americans deciding to sell and it is unlikely that we will ever see them at Anfield again. However, while we need to keep underlining that message until they have gone we now need to focus on the sale process and the part that the supporters can play in securing the Club’s future.

SOS-SL have already been contacted by one prospective purchaser who saw the obvious logic of engaging with the supporters and we have constantly sent the message that we are prepared to speak to any credible bidders willing to see supporter investment play a part in a change of ownership.

However SOS-SL are also examining the possibility of the supporters taking a majority share in the Club by engaging in the sale process. This strategy envisages the Club’s senior management and RBS joining with SOS-SL in forming a solution to the sale problems.

The supporters will be the source of any solution to the mess that the Club finds itself in as any purchaser will seek to repay debt through profits generated by the supporters while the supporters are suggesting that their purchase will achieve this aim sooner and more safely than through a sale to an outside investor.

The Club has access to and the credibility to convince LFC’s worldwide fan base that a call to arms from the Club, backed up by financial support from RBS (or another Bank or funder) would see the Club’s immediate problems solved in a matter of months.

Additionally, supporters are the last to know what is happening and rely upon press reports, rumour and innuendo about deadlines and timetables. Well, the time for this uncertainty is over and it is time that the supporters placed their own deadline on sorting out the mess we have been placed in by the owners and banks.

With all of this in mind we are proposing the following to our members (and seeking their support) and to all Liverpool supporters the following strategy:



1. We retain our focus on the owners and make sure they never set foot in Liverpool again and that they never forget “Tom and George You’re Not Welcome Here”;
2. The supporters set a deadline of our own of 31st October 2010 for the resolution of the sale process of Liverpool FC;
3. We demand that the senior management of the Club engage with SOS-SL and publicly confirm their support for a Club backed supporter ownership model or confirm why they believe 6 million worldwide supporters cannot be trusted with the custodianship of our Club when unknown “investors” can;
4. We demand two things of RBS who will be given the opportunity to get behind a supporter investment scheme (and save their own investment in the process):
 - a. Do NOT refinance our current owners debt BUT;
 - b. “Finance The Fans” – SOS will lead a positive campaign to show RBS that the worldwide supporters are ready, willing and able to solve the current mess. SOS will ask every Liverpool supporter to directly let RBS know that if the Club and RBS get behind a properly organised scheme then they will as one person announce “I’m In” – this show of strength and numbers will underline that the supporters are the solution as they have always been.
5. In the absence of a positive response from the Club or RBS (or upon confirmation that the owners have had their debt refinanced) then following the Supporters’ Deadline Day of 31st October 2010, and until the Club and RBS listen to supporters, then peaceful direct action protests will take place at:
 - a. Anfield (inside and outside the ground);
 - b. Club Retail outlets;
 - c. Club senior management who refuse to engage with the supporters will be made “Not Welcome” with all the attendant difficulties for them that this entails;
 - d. RBS Headquarters;
 - e. RBS Branches;
 - f. The workplaces or anywhere that senior RBS management involved in the Club’s account management can be located;

The Union recognises that this is a step up in protests and campaigns but the Club, owners, RBS and other involved with the sale of the Club have to recognise that the supporters are the solution. We have a once in generation chance to solve the Club’s problems and to deliver a stable environment for the future those managing and funding the Club have a massive burden of responsibility upon them.

Presumably to date they have not taken supporters seriously enough and so if they are given the chance to engage and do not, then they will see what thousands of grounds around Britain and the world have seen over the last 50 years – the power of the supporters of Liverpool FC.

“Finance The Fans” because millions will say with one voice “I’m In!”

