

Quarterly Meeting

Meeting Notes and Actions

Everton Football Club and Everton FC Shareholders' Association

Location: Goodison Park

8 February 2013, 10am – 11:30am

Attendees: Robert Elstone CEO, Everton FC
Paul Tyrrell Communications Director, Everton FC
John Blain Chairman, EFCSA
Paul Gabbutt Executive Committee Member, EFCSA
Keith Seymour Executive Committee Member, EFCSA

AGENDA

1. Introductions JohnB
2. EFCSA progress towards proposed EGM JohnB
3. Shareholders' Benefits Update JohnB
4. Observations on most recent Company Accounts All
5. Club position on FFP and Arsenal proposal Robert
6. Observations on recent Transfer Window Robert
7. Club position on future stadium planning Robert
8. AOB

Introduction

This meeting is the first of a series scheduled for 2013 that will take place on a quarterly basis between Everton FC, represented by Chief Executive Robert Elstone and supported by selected colleagues. The Association is to be represented by the Chairman, John Blain, and representatives of the Shareholders' Association Executive Committee. For this meeting Mr Elstone was supported by Paul Tyrrell the Everton FC Communications Director and John Blain attended with Paul Gabbutt and Keith Seymour.

Summary

The meeting took place in Mr Elstone's office at Goodison Park and was scheduled to last for 60 minutes with the intention being to cover as much of the proposed agenda that time would allow. The meeting actually lasted for just over 90 minutes with Mr Elstone only drawing the meeting to a close when his PA advised that the start of his next meeting was overdue.

The Association attendees welcomed the time invested by Mr Elstone and Mr Tyrrell and felt that the meeting was both open and productive and we look forward to continued co-operation from both sides.

Shareholder Attendees at meetings with Everton FC

Mr Elstone suggested that before we commenced the meeting he would like to explain the Club's position with regards to Shareholder Association attendees at these meetings and specifically his objection to the attendance, at this meeting, of Dave Kelly.

He reaffirmed what he had said to John Blain in a telephone conversation on February 1st and subsequently in an email exchange with Dave Kelly. Additionally Mr Elstone and Mr Tyrrell shared with Blain, Gabbutt and Seymour a prepared form of words that documents the position of the Club.

"Mr Elstone expressed his disappointment that the Executive were intending - against his repeatedly stated wishes - to include in their group, members who are active in the Blue Union. He reiterated that he will not engage with anyone who has played a part establishing or promoting that organisation's activities.

He said any further attempts by the Executive to include shareholders who are known members of the group in dialogue would be a further breach of trust he has placed in this process and result in his immediate withdrawal from future discussions."

A period of debate followed with the Association explaining that Mr Kelly was an elected member of the Executive having been appointed by the membership in a formal ballot in 2011. Furthermore the Association explained that Mr Kelly has never promoted the objectives of the Blue Union in his Shareholders' Association role.

We concluded the debate with the Association respecting the Club's position on this subject, as the Club respects the Association's own electoral processes and John Blain committed to update the Association Executive at the next scheduled Executive Meeting and make use of the document provided by the Club.

EFCSA Progress towards proposed EGM

John Blain gave the meeting a status update of the progress that the Association has made towards gaining the requisite mandate from the Shareholders for a General Meeting. John explained that a mass mailing was done to shareholders with positive returns having already been received with the expectation being that the necessary support will be achieved.

However, he explained that there had been a problem with the Royal Mail business reply service that the Association used in as much as it appears that up to 30% of returns may have been "lost". Consequently the timetable has slipped a little (from February to March) and the Association is in dialogue with the Royal Mail to understand what has happened and seek recompense. Furthermore the Association is currently performing additional mailings, including hand deliveries, to ensure that all Shareholders are afforded the opportunity to vote.

Mr Elstone welcomed the update and reminded the meeting that he was 'hopeful' we would have a Shareholders' Forum this summer but that no progress on this can be made whilst the EGM process is in progress. The meeting discussed openly and transparently the relative merits of a General Meeting in comparison to a Shareholder Forum and agreed to discuss again in the future.

Shareholders' Benefits Update

Mr Elstone recognised the issue with regards to the Shareholder discount not being available the Club's stores. This is perhaps related to the nature of the outsource relationship between EFC and Kitbag. Mr Elstone was waiting for an update from those investigating the matter. In the meantime he suggested that the Shareholders' Association provide him with a "shopping list" of desirable benefits for his consideration.

Some time was spent discussing ticket allocations for Shareholders, especially for 'in-demand' games with the Association suggesting that with the new ticketing system it was hoped that Shareholders who qualified for tickets through multiple routes (by being a season ticket holder with the requisite away match attendances for example) could be allocated on that basis and thus release tickets for Shareholders who have no other means of qualification.

Keith Seymour took the opportunity to point out what an excellent job the Shareholder Liaison (Laura Wilson) does and that the service she provides is a valuable benefit to Shareholders.

Observations on most recent Company Accounts

Despite Mr Elstone allowing the meeting to run for 30 minutes longer than scheduled we didn't cover this subject in any great detail but believe that with all the questions and answers about the accounts being in the public domain this was not an issue on this occasion.

Club position on FFP and Arsenal proposal

Mr Elstone spoke candidly about the recent meetings of the Premier League on this subject and confirmed that Everton FC is supportive of the agreed proposals. Mr Elstone, did he told us, express some concern at the meeting about how best to approach the difficult task of policing compliance with FFP.

Additionally Mr Elstone took advantage of the recent meeting to seek support, which appears to have been unanimous, to increase the allocation of tickets to the competing teams at the FA Cup Final from 25,000 to 30,000 and is hopeful that his proposal will become reality.

Observations on recent Transfer Window

Mr Elstone, like all fans, was disappointed that we were not successful in the transfer window. The Leroy Fer deal fell apart when the player's medical didn't go well and the clubs were unable to agree a commercially

acceptable arrangement to counter the risk to Everton. Mr Elstone confirmed that Everton subsequently bid for another player, which was widely reported in the media, with his present club refusing the Everton offer.

Keith Seymour was particularly interested in why the club apparently leaves dealings to the last day. Mr Elstone gave a brief overview of the process the club follows, starting with the manager and his scouts highlighting players they are interested in and going from there. Players, Fer for example, were highlighted in the first couple of weeks of January and discussions were well advanced with around a week to go of the window.

Club position on future stadium planning

John Blain asked about progress on the stadium work that Mr Elstone had indicated was taking place during the last meeting. Mr Elstone said that concept work continues on a limited budget with architects supported by on-going discussions with the local council. The Club has held, and continues to do so, meetings with the Council and progress, albeit slowly, is being made.

In response to a direct question from Keith Seymour Mr Elstone confirmed that he has no concerns now or in the immediate future about safety at Goodison Park, although the cost of maintenance is high, and that safety certificates are in order and not under threat.

Furthermore he confirmed that the planning activities recognise that the re-development of Goodison Park would be challenging and ultimately not provide a good return on investment and so the work being done now assumes a new site within the City of Liverpool boundaries.

AOB

Due to time constraints we didn't address this agenda item formally but we did during the meeting touch on the following;

Turn the City Blue

The Association congratulated the club on this very successful initiative with Mr Tyrrell responding to a query to explain that the original idea was by Mr Elstone.

Dixie Dean

Mr Elstone confirmed in response to a query that the Club are investigating returning the statue of the great man to a more accessible location and recognises that this will need to be more secure, from vandalism, than the original site.

The Winslow

Paul Gabbutt commented on the closure of the The Winslow and the hospitality potential for the Club. Mr Elstone explained that this had been looked into on occasions by the Club but had not been progressed.

Next Meeting and Actions

The next meeting is scheduled to take place at Goodison Park at 10am on May 17th 2013

EFCSA to provide Mr Elstone with a Shareholders' Benefits "shopping list"

