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Christine Chapman AC / AM  
Cadeirydd / Chair

10 October 2013

Dear Christine,

Thank you for your letter and for the opportunity to provide feedback as part of the inquiry into participation levels in sport.

I am pleased to say that following discussions on the 26<sup>th</sup> of September, we have investigated and identified the term 'golden vote' and can now clarify its meaning. It is apparent that this is an historical term and was removed from FAW practices and procedures many years ago.

The 'golden vote' was the 'Special Share' held by the FAW in The Football League of Wales Limited. The rights that were attached to the Special Share were set out in Article 6 of the company's Articles of Association, the relevant extract of which I highlight in Appendix 1 below. The Special Share allowed the FAW a veto on any matter listed in Appendix 1. The right was one of veto, rather than the right to compel the other shareholders to vote in favour of any particular measure. The veto applied only to the business of The Football League of Wales Limited and to no other entity.

It should be noted that the League of Wales now trades and operates through the FAW rather than through The Football League of Wales Limited. Indeed, the accounts for The Football League of Wales Limited for 2011 and 2012 are those of a 'dormant' company. On this basis, whilst The Football League of Wales Limited remains inactive, there is no forum in which the FAW would need to utilise the Special Share and exercise its veto. Furthermore, discussions with colleagues suggest that the 'golden vote' has not been in place for over eight years. I should also note that the 'golden vote' is not included in the Rules of the Welsh Premier League.

I hope this helps to clarify the matter. Please do not hesitate to contact me should you have any further queries.

Kind Regards,

Jonathan Ford  
Chief Executive  
The Football Association of Wales



## Appendix 1

*(B) Notwithstanding any provision in the Articles to the contrary, each of the following matters shall be deemed to be a variation of the rights attaching to the Special Share and shall be deemed to be a variation of the rights attaching to the Special Shareholder and without such consent shall not be done or caused to be done:*

*(a) The amendment, or removal, or the alteration of the effect of (which, for the avoidance of doubt, shall be taken to include the ratification of any breach of) all or any of the following:*

- (i) The objects of the Company set out in clause 3 of the Company's Memorandum of Association;*
- (ii) In Article 2 the definition of 'Special Share' or 'Special Shareholder';*
- (iii) Article 4 (issue of Ordinary Share);*
- (iv) This Article 6 (rights of Special Share);*
- (v) Article 34 (number of directors);*
- (vi) Article 75 (adherence to FAW rules); and*
- (vii) Article 76 and 99 (winding up).*

*(b) Any change to the name of the Company;*

*(c) The variation of any voting rights attaching to any shares in the Company;*

*(d) The passing of a special resolution to wind up the Company;*

*(e) The making and adoption of or any amendment to, removal of or waiver of any of the provisions to the rules which relate to:*

- (i) The name of the League of Wales;*
- (ii) Number of clubs/promotion/relegation;*
- (iii) Criteria for membership of the League of Wales;*
- (iv) Obligation to enter the Welsh Cup;*
- (v) Ownership of more than one club; and*
- (vi) Rules common to the League of Wales and the contributory leagues.*