



Wednesday 16th February 2022, Riverview Brasserie, 5:30pm

Attendees

Sunderland AFC:	Kristjaan Speakman (KS), Steve Davison (SD), Michael Laidler (ML), Oscar Chamberlain (OC), Chris Waters (CW)
Supporter Groups:	
Branch Liaison Council:	Jim Gilling (JG), Cath Reid (CR), Joanne Youngson (JY), Phil Pollard (PP)
Red & White Army:	Andrew Hird (AH), Paul Nelson (PN), Jane Hughes (JH), Jamie Bogle (JB)
Senior Supporters Association:	Malcolm Bramley (MB), Michelle Barraclough (MBa)
SAFC Supporters Liaison Group:	Steve Dean (SD), Paul Andrew (PA), Jan Turner (JT), Richard Porthouse (RP)
Apologies:	Kyril Louis-Dreyfus, John Heppell

1. Finance & Governance

Updates on ownership structure following KLD statement after last structured dialogue meeting

MB expressed fans' disappointment that Kyril Louis-Dreyfus was not at the meeting after stating when he first became Chair of the club, he was eager to engage with fans. SD offered KLD's apologies as he had a prior family commitment, but he will meet with fans' groups next week when he returns.

SD started the meeting by noting that he was aware of fan's concerns over shareholdings and explained that KLD owns 41% of shares. Madrox no longer owns shares in SAFC and the remaining 59% shares are owned by the respective owners via their companies. KLD bought the club on the basis that he would have overall control. KLD makes all decisions, in discussion with the Board. He would not have proceeded with the share purchase without full control. It is a common business practice for an owner with less than 50% to have full operational control.

AH asked what protections are in place to stop other shareholders combining to gain control by virtue of having a larger percentage of shares. SD stated that the shareholder agreement defines how all decisions are made and KLD has control, as well as the necessary protections in place.

If the ownership group has input into certain decisions such as investment, AH asked what happens if group disagrees with an investment plan. SD reiterated that KLD retains control and can make decisions unilaterally. Alongside to the shareholder agreement, there is an agreed investment plan in place, however, it is clear that if the club wished to deviate from the agreed investment plan, shareholder approval would be required.

Upon first gaining control, KLD sought information around the current situation and historical decisions made by the previous owners to ensure he was as informed as possible during the transition. This engagement has decreased with time, SD said KLD spends extensive amounts of time in Sunderland – as demonstrated by his continued presence at the club throughout January – and now fully understands how the club operates at all levels. Shareholders are kept informed of the funding required. KLD regularly consults the Board and Executive Team to help ensure he makes the best decisions.

PN asked what would happen if co-owners were to say no to any request for investment. SD said this has not happened in the last year. Owners are obliged to provide funding as agreed in the business plan.



Supporters' Collective Meeting

PA asked if there were any prospects that the ownership group may change. At the outset it was the intention of KLD to buy a bigger share of SAFC, but it was not possible to find a suitable commercial deal for all parties at the time. He bought 41% open to increase the number of shares, but he has not been able to do that so far. SD referred to reports that Stewart Donald and Charlie Methven have stated that they are prepared to sell. SD believes KLD would be open to buy more shares. For KLD to acquire more shares there needs to be a willing buyer and seller and for them to agree a commercial deal.

RAWA have had contact from fans regarding up-and-coming season tickets renewals and the possibility of not renewing after being misled by statements made by the Club. AH noted that these fans were angry and hurt, AH asked what SD could say to reassure those fans.

KLD has control and that will not change, SD said the intention of the football club was not to mislead the fans, but he appreciated that some previous statements could have been clearer.

PP noted that the mood amongst fans is at the lowest it has ever been. Reference was made to the February 21 club statement in that SD, CM and JS retained a minority shareholding. The FCA would describe a "controlling shareholder" as anyone with more than a 30% holding, Stewart Donald has a 34% holding. This has been an unmitigated PR disaster for the club and a caused fundamental breach of trust and confidence between the ownership and supporters.

PP raised further concerns about some of the language used in several statements by KLD that were misleading about a "takeover", which clearly isn't the case. Fans rely on the statements from the club to be accurate.

JG said the current situation is unacceptable and for once all supporters' groups are in complete agreement.

SD reiterated there was no intent to mislead but that was not the perception and acknowledged that the club must work hard to restore the trust that has been lost.

JY asked if anyone reported the feeling of the fans back to KLD. OC confirmed the club regularly report the views of the supporters back to the Executive Team.

JB said that KLD and Charlie Methven (CM) have been photographed together at games, and this adds to the perception that CM is involved in the running of the club. PN referenced derogatory comments made by CM about fans, women, and the City of Sunderland.

SD said the club routinely invite all shareholders and directors to attend games which they are free to accept or decline. CM has recently attended Cheltenham, Wimbledon, and Doncaster. SD believes nothing should be implied beyond 'he is a shareholder, watching a game'. As a club we have no control over Away Seating plans. It isn't possible or appropriate to control the actions of shareholders whilst attending matches.

MBa asked about repayment of the £20 million parachute payment by the previous owners. SD confirmed that not all the parachute payment money has been repaid. £11million was outstanding when KLD bought his shares, more money has been repaid since. As of today not all of the parachute money has been repaid by the previous owners.

PA asked whether there was a problem with the structure of the club. SD and KS agreed the structure is strong with clear governance. However, it was recognised that there is a perception that there is a problem given that conflicting information is finding its way into the media. SD confirmed that it was extremely unhelpful when confidential club information becomes public knowledge. It isn't helpful in ensuring the club is successful. SD confirmed that all club employees have confidentiality clauses in their contracts which should prevent this from occurring.



KS confirmed KLD is committed to the long-term future of the club, he believes in the plan. He could have walked away from the deal when he was only able to purchase 41% but chose not to. His heart is in the club and is determined to ensure it is successful.

PN sought clarification of any exit clause built into the ownership agreement, such as on promotion to the championship, and on ownership shares versus voting shares within the club. SD said any clause such as this would be defined in the shareholder agreement which SD has not seen, hence he was not able to comment further.

After last meeting, KLD added a note to the meeting record stating he could not share details of shareholding split, MB wondered what the impetus was for divulging shareholder information yesterday. At the last meeting, there was no agreement with the shareholders to reveal the shareholding split so SD could not share the information.

It has been frustrating in the last few weeks, and when there are gaps in communication from the club, fans make assumptions. PA encouraged the club to communicate more with the fans. AH endorsed this, believing the club must communicate more effectively with the wider fans base on a number of topics, the pitch, the ticket office. SD recognised greater communication on certain issues would be valuable and would raise understanding and awareness in the fan base.

AH asked about the Edelman research that the club had commissioned. The club has 3 reports, KS said they are currently looking at the next steps, which was put on hold in recent weeks. Developing a strategy based on the values of the club is part of a long-term project. SD will feedback at next meeting and discuss how to bring the project to life, but it will involve interaction with all people involved in the club. PA agreed that action points bring the project to life, getting Sunderland AFC into the local community and wider areas.

SD said it is important to get back to the 5 strategic areas; developing high performance culture, a building a football philosophy based on Sunderland values and identity, giving opportunity to young players, evidence-based decision making and alignment and engagement with the community, supporters, and businesses. The club has made good progress in the last year, but still needs to do a lot more work.

Appointment of Equality, Diversity, and Inclusion board member

SD confirmed the board member responsible for EDI is Igor Levin, appointed at the last Board Meeting with immediate effect.

2. Football Department

Discussion around the quality of pitch and whether it was re-laid at the start of the 21/22 season

The pitch has not been fully re-constructed since stadium opened in 1997. KS said full koro works were done at the beginning of the season (replacing the top 1.5 inches) and the surface has been overseeded on two occasions during the season. There are mitigating factors to its current status – (a) climate, (b) stadium structure (restricts sunlight and air flow) (c) extra games due to delay in Eppleton renovation. The artificial lights have been constantly used except when there has been Saturday – Tuesday home games. Club have invested in a hybrid stitch system which was installed between the Doncaster and MK Dons fixtures. It is a stitch of artificial turf placed into the pitch roughly 250mm with 20mm acting as the grass above the surface. This hybrid system will last for 3 years at which point a half dig reconstruction will be required including new under-soil heating and irrigation. We will require a full summer for this project and as such there will be no concerts in the close season when this work is being undertaken. Responding to a question from PP, KS confirmed many other clubs use the stitch system, including all stadiums in the World Cup, Chelsea, Man City and Southampton.

MB asked how have players reacted to state of the pitch. KS said the state of any pitch can affect balance and the consistency of the ball rolling which affects simple football actions such as passing and



turning, but that shouldn't mitigate performances. It is not ideal to make significant changes to the pitch during a season, but it was felt that this was needed.

KS has to make efficient decisions for the long-term future of the club, when asked by PP about the pitches at Eppleton and the Academy of Light having consistent surfaces and SD expressed a desire to have additional sporting events held at the stadium and this was only possible with a stitched pitch.



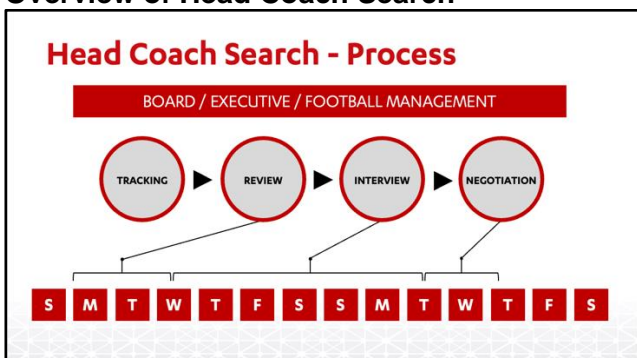
Example of the installation process and an example of the SoL pitch

Process for appointing a manager

KS understands changing the Head Coach will always draw attention. There are 3 core elements that the head coach is judged against: (1) developing, improving and managing players, (2) the game model, and (3) winning games. The Head Coach operates in difficult waters, the intention is to create a system that supports the Head Coach and makes all the processes less dependent on a Head Coach – this allows him to focus on the core elements. After inconsistent results and inconsistent levels of play analysis demonstrated a downward trend from late December. The club's forecasting analysis suggested that the trajectory was to not gain automatic promotion but make the playoffs and any further deterioration of this would see a playoff place more uncertain.

A board meeting was called and the decision was made to make a change. Lee Johnson did a lot of work to underpin our progress over the last year and he's added to the legacy of the club. KS thanked Lee for this.

Overview of Head Coach Search



It took 10 days to select a new Head Coach. The interim Coaches prepared well and the players adapted well considering the circumstances but results/performances did not reflect this.



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The tracking of coaches is ongoing and important for succession planning. Once the decision to change was made a review of the available information and data was undertaken and Candidates filtered against an 8 point criteria. The club spoke to 12, interviewed 8, and gave a second interview to 4 candidates. KS, Stuart English, Stuart Harvey and Dave Jones (Non-Exec Director) conducted the filtering process. KS and Stuart English conducted the first interviews and second interviews were undertaken by KS, SD, KLD and Dave Jones. SD noted that extensive references had been taken on all four of the coaches invited for second interview. The process was right, and the best person has been found. PP noted that this was similar to an executive appointment in any business.

KS said the availability of the candidates was a factor and possibly extended the process by 1-2 days

KS showed some of the data used to tracking coaches and provided examples of Alex Neil in the first 18 months of his previous positions at Norwich City and Preston North End. This showed a significant improvement in results and an increased performance trajectory at both clubs.

MB asked if this diligence extended to associated coaches who accompany the new manager.

Getting the right person is important and our model does allow some flexibility regarding this, KS said. We present the club and project to the candidate to get the synergy and ensure we can work together. The right decision for the football club must be made.

SD concurred; a Head Coach has to be appointed who wants to play the style that the players are suited to. Norwich has a similar model to the one being developed at Sunderland which will make it more straightforward for Alex to fit in.

PP thanked KS and SD for the clarification of the process, but perception remained that there was no plan. Someone has clearly been leaking information and whipping up the Roy Keane candidacy, it has left fans disappointed and been another PR disaster, adding unnecessary pressure onto the new manager and those involved in the recruitment process. AH echoed those comments that the leaks caused no end of pressure.

KLD remained committed to the process in the face of media pressure, KS said, and continued to work to get the appointment right.

SD agreed leaks were unhelpful, the club maintained its confidentiality throughout the process.

OC said that many clubs do not comment publicly throughout the Head Coach recruitment process, but KS took part in a comprehensive podcast after Lee Johnson's departure before attending a broadcast interview midway through the process to provide a further update on the club's progress. This proactive approach is not taken by many clubs and it was done to ensure fans remained updated with factual information, however, it is clear that speculation and rumour took centre stage. Daily press briefings also took place with the local and national media, but it is clear that this also failed to alleviate the speculation due to information, which was often not factual, being circulated outside of the club's control.

JB asked about the delay in the announcement of the manager. The club recognised that in hindsight this could have been handled better. Although a Heads of Terms had been agreed in principle, it needed to be legally agreed, and we encountered an administration hold up. An official announcement could not be made until the contract was signed, but AN was happy to take training and travel with the team to maximize match preparation time.

CR believes it was a bad image for the club for there to be a picture of Alex Neil on the train station before he was announced as manager; everyone on social media slated the club. SD agreed there were lessons to be learned from the whole process.

MB commented on the considerable social media pressures that the club faces. KS said perception is key and OC agreed, stating it has been an extremely challenging period from a communications point of view.



Squad depth following January transfer window

KS said this has always been a 4-window project, January was window number 3. There were 6 incoming players and an investment of over £1million was made into the team. There were also 3 unsuccessful £1million+ bids submitted. Money will not be wasted and only the right type of player will be brought in.

The aim was to get like for like replacements for in- and out- going players in the CB position although our preference was to obtain another player in this area. Consideration was also made for returning players; Luke O’Nien (3 weeks from a return to full training), Nathan Broadhead (1.5 weeks away), Niall Huggins (end of the season) and Aiden McGeady (in full training).

After a lack of opportunity and the likelihood of his minutes on the pitch not improving, it was decided to sell Denver Hume. KS acknowledge it had been a difficult window, affected by Covid and player availability (Premier League clubs not loaning out players), but the club are happy with the squad and its flexibility.

The age demographic has reduced over the season - not intentional, but rather a combination of excellent performances, players being unavailable and players not being selected within the squad. KS has every faith this squad are capable of promotion.

While heavy on the wings, PN shared fans’ concerns that the squad is light on centre backs. The club wanted to acquire another CB but KS said several deals did not come off. We remain in the same position as we entered the transfer window – 4 CB’s. A key consideration in this window is the players who are out of contract in the summer – this has been a distraction in the past, notably last season.

Sunderland is relying on several players in their breakthrough season, AH asked how they are being managed. It was not the intention for these players to necessarily play as many games, KS confirmed some players have been given extra recovery days. KS reiterated that excuses should not be made for performances.

KS believes the club has made two excellent signings in Trai Hume and Jay Matete and this should not be forgotten. Matete was brought in to immediately get minutes on the pitch. Hume as a longer-term transition into the team.

3. Ticket Office & Club Store

Update on appointing a Ticket Office manager

SD revealed that the club are creating a new supporter services team, that will cover store, warehouse and ticket office operations. The principles aspects of the business that fans engage with are electronic engagement for ticket and shop purchases; email communication; phone contact; face to face interaction. The club have been looking at how to provide a better service to fans.

JY asked about staffing levels in these areas. The club are defining roles across the club and operational delivery may need to be revisited. SD will be seeking fan input into the process to deliver the best possible service.

Review of Ticket Office & Club Shop open days & times

The intention is for the shop to open during the week for retail and ticketing, but this will be driven by footfall. The club are trying to create a new team based on supporters needs, which is likely to be fully implemented for next season. SD said the aim is to deliver a better service. The club want to engage with fans on a regular basis.

Issues remain with the telephone system into the ticket office, CR asked if more lines be made available.



This has been partially rectified but not fully. SD is keen to have one number for the club and to improve front line response.

JY asked if fans could buy a ticket over the phone on card at the ticket office. Although, SD confirmed they can, JY said it was not the case. SD agreed to investigate why this had happened.

JT asked what will be done to improve ticket purchase this season. SD will ensure anyone who phones up can purchase a ticket. The ticket office gets away tickets very late from away club. As an example the club had to have Wimbledon tickets embossed, as they could be copied and used fraudulently, which alongside the late delivery of tickets delayed the sale. Away clubs have sometimes to be chased extensively for ticket information. Changes and improvements can be made but will take time.

Direct Debit Payments – 22/23 Season

MB asked about 2022/23 season tickets. That is being worked on now. Decisions have not been made but will be soon. SD said an early bird offer would have to be in place for March if it was to be offered. While acknowledging cash flow implications for the club, MB asked if the number of Direct Debit payments could be increased. SD will investigate it.

PN asked if a freeze on season ticket prices was an option. The intention is to have season ticket prices that are mid-range once the club is in the Championship, but not many clubs have released prices yet. SD believes a price freeze is unlikely.

Ticketing availability on smart phones

AH asked if digital season cards would be available as a QR code or Apple Wallet option on smart phones.

This would require an infrastructure change. The club aims to have it in place for 2023/24 but SD acknowledged that not everyone has access to a smart phone so alternative provision would be needed

In response to a question from JY, CW confirmed the Sunderland Card can be used to purchase food and drink on the concourse now. Apple Pay is also available as an additional payment option for supporters to use.

4. Sunderland Ladies

Updates of strategy, targets and timetables for achieving targets

Alex Clark, Sunderland Ladies General Manager will attend the next meeting. The aim for this season was to stay in the league. SD knew this season would be a challenge after the late notification of promotion. The Ladies are broadly on track. The club are pleased with player progress and with the first year on the pitch.

Discussion around improving attendance for home games

SD is disappointed with attendances at the Ladies' games. Revenue spent on advertising has not translated into higher attendances, but SD recognises more could be done.

Improving promotion of matches, streaming of matches, advertising women's game

SD said limited resources have to be carefully managed throughout the club. Games are currently not being streamed but could be in the future if engagement increases.



Another issue, ML said that due to current covid protocols at the games, the league has not permitted mascots and ball carriers this season. This has limited engagement with local schools and grass roots teams. This will return as soon as these protocols are relaxed to encourage younger fans to attend games.

Investment at Eppleton has seen improvements and more will be needed. SD hopes to have a double header of a men's & women's game at the Stadium of Light in the future. There were plans to have a double game this season, but as covid protocols differed at the time between EFL League One and the FA Women's Championship this wasn't possible.

5. AOB

PN raised concerns about migration to the Roker End and stewarding problems at the Doncaster game. SD is aware of migration issues. The club has tried to put arrangements in place to address this and have had discussions with SGSA about it. SD is personally observing the problems. Work needs to be done, by both the club and supporters.

CW confirmed Steve Neill is to have a further meeting with the supporters groups on this topic this month.

SD told the meeting that Kevin Ball was offered a new role at the club. Kevin decided not to accept the offer and will be leaving the club. SD confirmed he would always be welcome at the club. The club intended to make the announcement the following morning.

Next Meeting – 14th April 2022