

**CRICKET SCOTLAND HOLDINGS LIMITED (“CSHL”)
EXTRAORDINARY GENERAL MEETING – 14 OCTOBER 2021
MEMORANDUM EXPLAINING PROPOSED RESOLUTIONS**

Introduction

On 28 April 2021, Cricket Scotland Holdings Limited held an Annual General Meeting (“AGM”) and an Extraordinary General Meeting (“EGM”) at which certain resolutions were proposed or to be proposed to the Members. For different reasons (explained in the individual sections below), one of those resolutions needs to be ratified by the members at a subsequent EGM and two of the resolutions need to be re-submitted for approval by the members, also at an EGM.

Accordingly, another EGM of the Members of CSHL has been called by the Board for 14 October 2021 at which those three resolutions will be proposed as set out in the formal Notice of Meeting issued to the Members dated 22 September 2021. All three resolutions require the approval of 75% or more of the members voting to be passed.

Resolution 1

Approval of the extension of the term of office of the current Chair of Cricket Scotland Limited (“CSL”) until the AGM in 2022

Under the Articles the appointment of any Chair of CSL or the extension of their term of office requires to be ratified by the Members of CSHL at the next Annual General Meeting. The current Chair of CSL had intimated in early 2020 his intention to retire at the AGM in 2021 at the end of his then term of office. However, in autumn last year the CSL Board and he agreed, due to the Covid pandemic, that it would be desirable that he continued in office until the AGM in 2022 to provide continuity during a period of considerable difficulty and uncertainty.

Accordingly, the Members should have been asked to ratify the re-appointment of Tony Brian as Chair of CSL until the AGM in 2022 at the AGM held on 28 April this year. Due to an error, the relevant resolution was omitted from the notice of that meeting.

The Board of CSHL therefore recommends that the Members of CSHL now ratify that re- appointment. The Board of CSL will shortly start the process of recruiting the next Chair of CSL to succeed Tony.

Resolution 2

Change of name of Cricket Scotland Holdings Limited to Cricket Scotland Council Limited

On 28 April this year, the Members approved a proposed change of name to Cricket Scotland Council Limited, subject to the approval of the Registrar of Companies who must consent to the use of the word “council” in any company name. Following that consent, which was granted on 9 June 2021, the approved change requires to be ratified by the members.

The Board of CSHL therefore recommends that the Members ratify the change in name of CSHL to “Cricket Scotland Council Limited” with effect from the EGM.

Resolution 3

Power to pay Directors' Fees to the Chair of CSL

A resolution was to be proposed at the EGM on 28 April 2021 to allow directors' fees to be paid to a future chair of CSL, the operating subsidiary which runs the business of cricket in Scotland. However, the resolution was not properly worded and the resolution was accordingly withdrawn although a helpful discussion took place on the principle of the change which was generally, but not universally, supported by the Members who spoke.

The Board of CSHL has considered carefully the arguments put forward in that discussion and has decided to submit a fresh resolution (as per the formal notice of the meeting) for a change to the Articles of Association of CSL to allow such directors fees to be paid to a future Chair. The current Chair has made it clear that he will not seek or accept any directors' fees for the remainder of his period in office.

The rationale for the recommendation is as follows: -

- (a) The required commitment of the Chair of CSL is considerable (at least two days a week and not infrequently more). There is no doubt that any successor to the current Chair (who will, as said above, retire at the AGM in 2022) will need to devote significant time to the role as CSL becomes bigger and more complex and the responsibilities of a Chair increase.
- (b) The personal responsibilities of the Chair in terms of the governance of CSL and in relation to the funding received from sportscotland and the International Cricket Council (both bodies look to the Chair on behalf of the CSL and the CSHL Boards to ensure proper use of their funding including personally confirming the accuracy of data submitted) are significant. In the modern world, those responsibilities will, without doubt, increase over time.
- (c) In seeking a successor to the current Chair, there is a risk that the pool of potential candidates will be limited to those who have the leisure time and independent means to undertake the role, unless some compensation could be offered to reflect the time commitment and responsibility involved. Without that option, CSL would effectively be excluding a large part of the population from considering the role and thus limiting the number, quality and diversity of candidates.

It is therefore recommended that the Articles of Association of CSL be changed to permit the CSL Board, if it believes that to do so would enable it to appoint the best candidate, to pay directors' fees to a future Chair. As said above, the current Chair has made it clear that he would not accept any fees during his time in office. It is emphasised that such fees would only be paid if the CSL Board concluded that to do so would enable it to appoint a suitable candidate who otherwise could not accept the position.

The proposed level of any directors' fees for a future Chair would be recommended to the CSL Board by the Nomination and Remuneration Committee of CSL which would normally consist, for this purpose, of two independent non-executive directors and the President of Cricket Scotland. In making any decision as to the appropriate level of fees, the committee would have regard to the most recent Scottish Government Public Sector Pay Policy Guide.

For the avoidance of any doubt there is absolutely no intention to move to payment of directors' fees (or payment of any other nature, other than reimbursement of expenses) to any other director (other than, of course, to the Chief Executive Officer).

The Board of CSHL therefore recommends that members vote in favour of the proposed changes to the Article of Association of CSL to give its directors the ability to pay directors' fees to a future chair of CSL.

Cricket Scotland – 22 September 2021