

Explanatory Note on Proposed Rule Changes

Introduction

A review of the Rules has been undertaken and the amendments are being proposed to ensure that the rules reflect the actual practice of the Club and its members; to clarify a number of existing principles; and to ensure that it is clear who does and does not form part of the Club's membership and voting membership.

Some procedural changes are also proposed that the Board considers appropriate as the Club evolves, such as:

- the reduction of the Presidential term;
- the inclusion of standard rights for proxy voters;
- a reduction in the number of Voting Members required to requisition an extraordinary general meeting; and
- allowing the Board to appoint non-Board members with relevant expertise to its sub-committees.

The following is a summary of the key proposed amendments to the Rules, divided by theme. This is not an exhaustive list of every change, but in the Board's opinion represents the material proposed changes to the Rules requiring further context. A full redline of every change to the Rules is provided for the reference of members.

Voting Rights

All Members of the Club are equal shareholders on a one-member-one-share basis. The proposed amendments do not affect ownership, status as a member, or core constitutional rights.

All Members of the Club for the 2026 Membership year, regardless of whether they have opted-in to exercise their voting rights, will receive the AGM Notice and election and proxy forms together with the right to vote (by proxy or in person) at the AGM should they wish to, including on the proposed amendments to the Rules.

Changes to voting privileges in the proposed amendments to the Rules will take effect for the 2027 Membership year from 1 January 2027 only.

The distinction introduced by the amended Rules relates solely to participation in governance voting at general meetings and does not affect economic rights, access to meetings[, or the ability to requisition meetings].

FCA Registration

The Club has consulted with the Financial Conduct Authority ("FCA") on the proposed amendments to the Rules and the Board is satisfied that there is alignment with the FCA on the substance of the amendments. In order for the amended Rules to become effective, the Club must submit those Rules to the FCA for registration. As part of that process and the Club's ongoing consultation with the FCA, it is possible that the FCA may wish to see clarifications or minor drafting changes to the Rules now tabled before the Club's members for approval. In order to allow for any such clarifications to be made, members are asked to resolve to approve the amended Rules with the right for the Board to make non-substantive drafting amendments to the Rules to meet the FCA's requirements prior to registration. This power is not intended to permit any changes to the substance of the amendments now tabled and is included only to ensure sufficient flexibility?. The final version will be published by the Club following registration.

A. Membership (Rules 2, 8, and related definitions)

A1 – Definition of "Member" / "Membership"

Current wording

"Member means a member of the Club."

Proposed wording

"Member means **an individual who has been admitted to be a member holding shares in the Club pursuant to Rule 8.**"

Rationale

Clarifies that membership entails holding a share under Rule 8, tightening the definition and aligning it with the share capital rules. Corresponding changes have been made throughout the Rules to clarify where provisions apply to "Members" as opposed to "Voting Members" – see below.

A2 – Definition of “Voting Member”

Current wording

No prior definition of Voting Member, but the rules provide the Board with the right to confer voting rights within categories of membership.

Proposed wording

“Voting Member” means: (i) a Member whose membership category published by the Club in accordance with Rule 8.1 at the time of paying their subscription fee specifies the inclusion of voting rights such that, in accordance with Rules 8.1 and 15, that Member shall enjoy voting rights; (ii) Honorary Life Members; and (iii) Vice Presidents”.

Rationale

The proposed changes to Rule 8 introduces a distinction between “Members” and “Voting Members” but does not change the existing principle that “Voting Members” will be those that have purchased a membership package with voting rights advertised as being part of that package (and Honorary Life Members and Vice Presidents). Other “Members” who took out membership packages that did not have voting rights advertised as being part of that package will not hold a vote. However, all members will still have the ability to participate in requisitioning and attending general meetings.

Corresponding changes have been made throughout the Rules to clarify where provisions apply to all “Members” or “Voting Members” only. This will apply from the 2027 membership year onwards.

For the avoidance of doubt, all Members remain equal shareholders in the Club. Voting rights are conferred transparently by reference to defined categories of Membership determined and published by the Board under Rule 8 and operate strictly on a one-Voting-Member-one-vote basis. The Membership categories and associated voting rights for 2027 will be published by the Club later in the year as usual.

A3 – Rule 8.1 (Membership categories and voting rights)

Current wording

“The Club may offer such categories of membership ... every voting member shall have one vote at general meetings.”

Proposed wording

“The Club may offer such categories of **Membership** ... every **Voting Member** shall have one vote at general meetings.”

Rationale

Maintains the existing principle that the Club may offer different categories of membership with different rights (including voting rights), clarifies terminology and ties voting rights to a defined class (“Voting Member”), which supports certainty on who can vote at meetings and on resolutions.

A4 – Rule 8.3 (Admission and Relinquishment)

Current wording

"No person ... shall be admitted to voting membership who has not attained the age of 18 years."

Proposed wording

"8.3.1 Members shall be admitted to, and relinquish, Membership on an annual basis in accordance with this Rule 8.3.

8.3.2 At midnight on each 31 December in a calendar year, all Members shall relinquish their Membership and cease to be a Member (thereby forfeiting his/her share in accordance with Rule 7.6).

8.3.3 On 1 January in each calendar year, subject to Rule 8.3.8, the Club shall admit into its Membership all persons who have applied for Membership for that calendar year in accordance with Rule 8.3.6. This means that Members who do not apply for Membership in respect of a calendar year will not continue to be Members for that calendar year and will be removed from the register of members applicable to that calendar year. In accordance with Rule 8.1, Members who are admitted will enjoy the rights and privileges attaching to the Membership package for which they applied.

8.3.4 Subsequent to the 1 January admission date, subject to Rule 8.3.8, the Club shall also admit into its Membership for each calendar year any person who has applied for Membership for that calendar year in accordance with Rule 8.3.6 on or after 1 January.

8.3.5 The admission of Members shall be vested in and under the control of the Board. No person who has not attained the age of 18 years shall become a Voting Member.

...

8.3.9 Payment of the entrance fee (if any) and the first annual subscription fee by an applicant for Membership shall be deemed to be a declaration of agreement of, and submission by, the applicant (if elected to Membership) to the Rules."

Rationale

Consistent with historic practice, Members are asked to pay subscriptions on an annual basis in order to maintain membership. This annual process gives Members the opportunity to decide whether to continue their membership each year and, if so, which membership package they wish to purchase.

The amendments clarify that membership operates on a strict annual cycle. At midnight on 31 December each year, all Members are deemed to have ceased to be Members and therefore to have relinquished their share. On 1 January, the Club admits into membership those individuals who have applied and paid the relevant subscription for that calendar year, and allocates to them the rights attaching to the membership package they have selected.

This approach allows the Club to begin each year with a clean and accurate register of Members and Voting Members, ensures that voting rights are conferred only on those who have renewed membership for the relevant year, and provides certainty as to eligibility to vote at general meetings. It reflects long-standing operational practice, but places that practice on a clear and transparent constitutional footing. The approach still, however, allows for the admission to Members after 1 January in any year and for those new Members to receive voting rights in the event that they purchase a Membership package which includes voting rights.

The existing principle that any person below the age of 18 cannot be a voting member is maintained, but terminology has been clarified to tie voting rights to a defined class ("Voting Member"), which supports certainty on who can vote at meetings and on resolutions. Whether or not a Member has voting rights will be set out clearly in the membership packages advertised on the Club website from time to time and, if a Member chooses a package advertised with voting rights, he/she will be a Voting Member.

Corresponding amendments have been made to Rule 11 (Entrance fees and subscriptions) to provide that Membership in each calendar year is conditional on paying the applicable entrance fee or annual subscription.

A5 - Rule 8.7.3 (Expulsion: link to share forfeiture rule)

Current wording

"A member who is expelled thereupon forfeits all rights and privileges as a member ... and forthwith ceases to be a member."

Proposed wording

"A **Member** who is expelled thereupon forfeits **his/her share** in the Club **in accordance with Rule 7.6.**"

Rationale

Maintain the existing principle and practice/understanding of both members and Club but confirms and clarifies that expulsion leads to a loss of a member's share (together with the rights attached to it). The existing wording held that a member lost the rights and privileges held by them as a member, without specifying that he/she loses her share. It is considered preferable to ensure there is also a link between expulsion and the holding of shares, as now proposed.

A6 – Rule 8.8.2 (Withdrawal)

Current wording

"On a Member ceasing to be a Member for any he/she shall, if otherwise entitled, cease to be entitled on a dissolution of the Club to any share or interest in any of the property or assets of the Club"

Proposed wording

On a Member ceasing to be a Member for any reason (including failure to apply for a Membership or failure to pay the applicable fee in accordance with these Rules or death) he/she shall, if otherwise entitled, cease to be entitled on a dissolution of the Club to any share or interest in any of the property or assets of the Club"

Rationale

In accordance with the amendments to Rule 8.3, this amendment makes explicit that failure to apply for a Membership or failure to pay the applicable fee will lead to cessation of Membership.

B. Subscriptions & Cessation of Membership (Rule 11)

B1 – Rule 11.2 (Late purchase clarification)

Current wording

Subscriptions due on 1 January; new members pay on admission.

Proposed wording

"All subscriptions payable for admission to Membership shall become due and payable by 1 January in each calendar year."

Adds: "**This does not prevent later purchase of a qualifying Membership or junior status package in accordance with the policies and procedures set by the Board from time to time.**"

Rationale

Keeps the current clean annual due date but also confirms operational flexibility for later purchases (without undermining the annual membership framework). This is linked to the proposed change at 11.4 which helps ensure that it is clear at the start of a year who is a member and voting member and who is not.

B2 – Rule 11.4 (Non-payment: automatic cessation)

Current wording

"Any member or junior whose subscription has not been paid before the 1 April next following the date on which it became due shall not be entitled to exercise any privilege of membership but thereafter shall be so entitled as soon as his/her subscription shall have been paid. A member or junior whose subscription shall be in arrears for more than twelve months shall be deemed to have resigned his/her membership."

Proposed wording

"Any member or junior whose subscription has not been paid by the due date specified in Rule 11.2 shall automatically and with immediate effect cease to hold junior status".

Rationale

The relinquishment of membership for non-payment of a subscription as part of the annual membership renewal cycle is now dealt with in Rule 8.3 (see above). Accordingly, Rule 11.4 has been amended to apply to juniors (who are not Members) only.

C. Proxy Appointments (Rule 15)

C1 – Rule 15.6.3 (Proxy voting – addition of general proxy appointment)

Current wording

The proxy instrument "shall also specify the resolutions for consideration at the general meeting..."

Proposed wording

The proxy instrument "may allow for:

(a) proxy appointment on specific resolutions for consideration at the general meeting... or

(b) a general appointment of a proxy (which may be the Chair) to vote on behalf of a Voting Member throughout a Membership year at the discretion of the proxy;"

Rationale

Adds an option to appoint a proxy for the entire membership year in addition to the current ability to appoint the chair or another nominated individual to vote as a proxy on either specific resolutions or as the proxy sees fit. This change is designed to support higher voting participation by providing the ability for a member to make the general appointment of a proxy (which may be the chair) and simplify voting logistics, with the ultimate outcome of improved democratic control by members.

D. Proceedings and Voting at General Meetings (Rules 12 and 14)

D1 – Rule 12.2.3.1 (EGM Requisitioning)

Current wording

The Board must convene an extraordinary general meeting upon receipt of a members' requisition which is "is signed by not fewer than 400 members having at the date of receipt of the requisition a right to vote at general meetings of members."

Proposed wording

The Board must convene an extraordinary general meeting upon receipt of a members' requisition which is "is signed by not fewer than **200 Voting Members.**"

Rationale

The Board wishes to ensure that the membership are able to convene EGMs on important issues without an unnecessarily high threshold for the numbers of requisitioning members. The proposal of 200 voting members is considered to strike the correct balance, while ensuring that there is sufficiently material support for an EGM to be convened.

D2 – Rule 14.1 (Quorum: Voting Members + proxies)

Current wording

"Twenty voting members present in person" constitute quorum.

Proposed wording

"Twenty **Voting Members** present in **person or by proxy**" constitute quorum.

Rationale

Maintains the principle that voting members count towards quorum but ensures that quorum reflects actual voters and therefore includes proxy attendance.

D3 – Rule 14.2 (Chair fallback provision)

Current wording

If no Chair/Deputy/Board member available, "the members present ... may elect one of their number to be Chair of the meeting."

Proposed wording

"If no Chair/Board member available, "the **Voting Members** present may elect one of their number to be Chair of the meeting"

Rationale

Confirms and clarifies that control of meeting procedure rests with those entitled to vote and not non-voting attendees.

D4 – Rules 14.4 and 14.5 (Attendance and admission by proxy)

Current wording

Rule 14.4:

"Admission to any general meeting will only be permitted to members in person."

Rule 14.5:

"A member ... is deemed to be in attendance when that member is in a position to communicate with all those attending the meeting."

Proposed wording

Rule 14.4:

"Admission to any general meeting will only be permitted to **Members** in person **or a proxy attending on their behalf.**"

Rule 14.5:

"A **Member** ... is deemed to be in attendance when that **Member, including by their proxy,** is in a position to communicate with all those attending the meeting."

Rationale

Updates admission and attendance requirements to expressly include proxy participation.

D5 – Rule 15.1 (Voting entitlement)

Current wording

"Each member shall have one vote. If notice has been given of any general meeting, only those persons who were members at the date of giving of such notice shall be entitled to vote at that general meeting."

Proposed wording

"Each **Voting Member** shall have one vote **at general meetings.** If notice has been given of any general meeting, only those persons who were **Voting Members** at the date of giving of such notice **and who remain Voting Members at the time of the general meeting** shall be entitled to vote at that general meeting."

Rationale

Clarifies that only "Voting Members" are entitled to vote at general meetings and confirms that voting eligibility is tied to (i) status at meeting notice date and (ii) continued status as a Voting Member at meeting date.

D6 – Rule 15.3.1 (Show of hands – proxies included)

Current wording

"Any resolution ... decided on a show of hands."

Proposed wording

"Any resolution ... decided on a show of hands **of Voting Members present or by proxy.**"

Rationale

Ensures voting by proxy is included in core voting mechanics, including where voting is by show of hands, consistent with the broadened proxy voting framework. This will enable show of hand voting at future general meetings, whilst still being able to ensure proxy voting is captured.

D7 – Rule 15.7 (Statutory rights)

Current wording

New provision

Proposed wording

"Nothing in these Rules shall operate to restrict or override any rights conferred on Members by the Cooperative and Community Benefit Societies Act 2014, including (without limitation) rights exercisable on a dissolution of the Club under section 119 of that Act."

Rationale

To clarify that nothing in the Rules is intended to limit or disapply rights conferred directly on Members by statute, including rights exercisable by all Members irrespective of voting status under the Rules.

E. President (Rule 16)

E1 – Rule 16.2 (Term of office)

Current wording

"The President shall serve for a maximum of three years and shall continue to hold office until the conclusion of the meeting at which his/her successor is elected, save only where the members in general meeting by a special resolution decide otherwise.

Proposed wording

The President shall serve for a maximum of **approximately two years from their appointment pursuant to Rule 16.1** and shall continue to hold office until the conclusion of the **second annual general meeting following his/her appointment** at which his/her successor is elected, **unless the Board determines otherwise.**

Rationale

Aligns the President's tenure to an AGM cycle (proposed two AGMs rather than maximum three years), to allow the Club to honour past contributors more frequently, and gives the Board flexibility to manage the position where appropriate, rather than requiring a special resolution route.

F. Board composition, independence and appointment mechanics (Rule 18)

F1 – Rule 18.1.1 (Board composition)

Current wording

"The Board shall comprise:

- (a) ... the Chief Executive Officer and the Managing Director of Cricket...
- (b) up to two Board members elected from the Club's membership...
- (c) up to 8 persons are to be nominated by the Nominations Committee as independent Non-Executive Directors..."

Proposed wording

"The Board shall comprise:

- (a) **up to two directors appointed ex officio from the executive leadership of the Club, one of whom shall be the Chief Executive Officer...**
- (b) up to two Board members elected from the Club's **Membership...**
- (c) up to 8 persons are to be nominated by the Nominations Committee as independent Non-Executive Directors **who may be independent or representative of other interests (those representing other interests being "Representative Non-Executive Directors) ... provided that at all times less than a majority of the Board is made up of Representative Non-Executive Directors representing interests other than the Members."**

Rationale

Alignment with ECB County Governance Framework and added flexibility by replacing requirement for Managing Director of Cricket as a board member with any director appointed "ex officio" from the executive leadership of the Club (alongside the CEO who be a Board member, as previously under the Rules). This is not intended in any way to undermine the clear importance of cricket expertise on the Board.

More closely aligns with the ECB County Governance Framework and also allows for the appointment of Non-Executive Directors with representative interests (e.g. representatives of a key commercial partner of the Club) as well as independent Non-Executive Directors, so long as less than a majority of the Board is made up of that category of Non-Executive Directors representing interests other than the Members.

All directors, including Non-Executive Directors appointed with representative interests, remain subject to the same statutory and common-law duties, including the duty to exercise independent judgement and to act in the best interests of the Club as a whole.

G. Nominations Committee (Rule 19)

G1 – Rule 19.2 (Nominations Committee composition)

Current wording

Rule 19.2:

The Nominations Committee includes “the President (if in office).”

Rule 19.3:

“The Board shall ensure that the Nominations Committee shall always have a majority of independent non-executive directors at all times.”

Rule 19.5:

The quorum for a meeting of the Nominations Committee shall be three of its members provided also that there shall be a majority of independent Non-Executive Directors.

Proposed wording

Rule 19.2:

“The Board shall appoint a Nominations Committee consisting of:

...

up to two independent members appointed by the Board in accordance with Rule 21.3.3.”

Rule 19.3:

“The Board shall ensure that the Nominations Committee shall always have a majority of independent **individuals** at all times, **being independent members appointed pursuant to Rule 19.2.5 and independent Non-Executive Directors.**”

Rule 19.5

The quorum for a meeting of the Nominations Committee shall be three of its members provided also that there shall be a majority **of individuals, being independent members appointed pursuant to Rule 19.2.5** and independent Non-Executive Directors.

Rationale

The Nominations Committee composition will change by including up to two independent individuals. This strengthens independence of nomination processes and broadens the pool of independent expertise, while reducing concentration of influence in any one office.

H. Committees & Member Engagement (Rule 21)

H1 – Rule 21.2 (Members’ Representative Group nominations)

Current wording

The number of nominating members required by Rule 19.3 shall be 10.

Proposed wording

The number of nominating **Voting Members** required by Rule **19.8** shall be **2.**”

Rationale

This change was approved by members at the 2024 AGM and approved by the FCA following filing.

H2 – Rule 21.3.3 (Independent committee members)

Current wording

No explicit route for appointing independent non-members to committees. Appointments limited to voting members of the Club.

Proposed wording

“Board shall have the power to ... appoint such committees as it shall from time to time determine **and the Board may appoint to such committees independent members with relevant expertise ...**”

Rationale

Enables a broader pool of independent expertise on Board committees without limiting committee members to having to be or having been members of the Club.