

RECORDED DELIVERY
PRIVATE & CONFIDENTIAL

1 February 2005

Steve Burrige
Manager, Business Development
ACE EUROPEAN GROUP
Ace Building
100 Leadenhall Street
London EC3A 3BP

Dear Steve

May I start by asking you to accept my apologies for this belated thanks for the courtesy, interest and kind attention with which, once again, you and Tony received me in your offices last week.

The reason for this letter is to advise that since our meeting there have been some significant major developments of importance that are directly pertinent to the current discussions between you and I relating to the NRCC and ACU&S and which I should like to discuss further with you and Tony personally.

First, PCM Risk Solutions, the NRCC's joint venture partner (JVP) Insurance Brokers (see details enclosed) is experiencing an unprecedented number of applications for comprehensive insurance cover for the 2005 season – some 350 over the past six weeks and still coming - from NRCC member cricket clubs throughout the UK at an **average** annual premium of £1,200 (many of the Premier and Senior League clubs are in the £2,500 to £6,500 bracket). This is the result of (a) our January mass-email 'sales/awareness' promotions and renewals reminders to all our member clubs, and (b) the ECB's recommended insurers, Allianz-Cornhill, ramping up their premiums dramatically, in some cases by as much as 200% which, for the majority of clubs, makes them unaffordable. As a result, too many clubs will be under-insured if we can't find better all-round deals for them.

Currently, PCM is putting this business through, principally, the Australian-owned company, SportsCover who, currently, offer the best split package deals for sports clubs. I make no secret of the fact that I and the NRCC want to see Ace European Group as the exclusive, **single-source** insurer for not only the NRCC's 4,200 member clubs, but also for the other 4,000 recreational/community cricket clubs throughout the country that we are also canvassing and individual umpires, scorers, league administrators *et al*, many of whom are not affiliated to the ECB.

Second, it has been confirmed to me from a senior source within the ECB that NO specific funding allocation for recreational cricket was included by the First Class Forum (FCF) in the £220 million deal they have just struck with SkySports for the 4-

year exclusive media/broadcast rights to all England First Class County and Test Cricket from 2006 – 2009. However, largely because of the very public stance we have taken over this in the media and in *Extra Cover*, I have been invited by David Collier, the new ECB Chief Executive, and Mike Soper, Chairman of the FCF-controlled ECB Management Board, to an off-the-record lunch to ...*"discuss certain issues and areas of mutual interest and to explore possible common ground"*... and it would greatly enhance the NRCC's negotiating position with them if I could go to this lunch knowing that we had Ace with/behind us; not to mention being able to point to the enhanced credibility and importance of recreational cricket such support would demonstrate! The media, particularly the Daily Telegraph, the Guardian, and The Wisden Cricketer magazine (who have asked to establish a more formal relationship with the NRCC) would love it!

Third, the 2005 ECB 'budget' for recreational cricket has been decimated by the FCF in order to enable each of the 18 First Class Counties to appoint/play a minimum of two international overseas players during this coming season. Because of individual player's international Test commitments, this equates to approximately 60 international players with each County is actually signing up either 3 or 4 contracted overseas players so that they can perm any 2 from 3 or 4 - resulting in an increased take from the 'pot' - i.e. away from recreational cricket - of an extra £4 million!

Fourth, as confirmed in The Times report of 2 February (see enclosed), Sport England is refusing to release to the ECB in excess of £11 million that is intended for recreational cricket over the next 4 years unless and until the FCF changes its governance, structure and funding distribution policies to the satisfaction of Sport England.

As I believe I explained to you when we met, I know Roger Draper, the Chief Executive of Sport England well – he is (unofficially of course) a friend and supporter of the NRCC and the stance we are taking - to the extent that he has asked me to prepare for him (off-the-record) a Draft revised Organisation/Governance structure for the ECB that is more democratic and more equitable than at present, i.e. that can address and accommodate the needs of ALL levels of cricket throughout England & Wales, not just those of the 18 First Class Counties and the professional game.

This will show overall responsibility for the administration and organisation of cricket nationally remaining under the overall auspices of the ECB but with a full-time, 7-member, independent professional Executive Board at the top replacing the totally dominant 18-member FCF, with two separate, independent, 'Professional' and 'Recreational' Cricket Management Committees respectively reporting in to them. The funding for each of these two new Committees would be 'ring-fenced', with the Recreational Cricket Management Committee seeking a total annual funding equivalent to 15% - 20% of the total annual income received by the ECB.

It also shows the Recreational Cricket Management Committee headed up by the MCC (as non-Executive Chairman) in recognition of its status as the largest recreational cricket club in the country (450 'out matches' each year) and comprising the NRCC (representing 4,220 clubs, i.e. two-thirds of the total number of clubs affiliated to the ECB); the ACU&S (representing 9,000 umpires and scorers); representatives from 6 County Cricket Boards; one representative from Women's Cricket; one from ESCA; and one from Cricket for those with disabilities.

It is since presenting this confidentially to Roger Draper, that I have received:

- the personal telephone call from David Collier, the new Chief Executive of the ECB, inviting me the private off-the-record luncheon meeting on 7 March with he and Mike Soper;
- an invitation - again in my capacity as Chief Executive of the NRCC - from the ECB to become a member of the steering group on the Strategy for the Future of Cricket in England & Wales 2005 – 2010 that held its first meeting at Milton Keynes on 1 February (the same day that the Daily Telegraph published the enclosed article by Charles Kendall – no coincidence) and was attended by representatives from all sections of the game, including the FCF. Charles Randall, the cricket correspondent of the Daily Telegraph deliberately timed his article (see attached) to appear on the same day to very good effect;
- an invitation - in my role as Chairman of the ACU&S - from the ECB to join their new Steering Group on the development of officials for both the professional and recreational games (see separate ACU&S letter also enclosed).

I mention this, not to be clever or simply to name drop, but because these are not unrelated events and also because it demonstrates – not least to our member clubs and the media - that the NRCC and our Joint Venture Partners are beginning to be taken very seriously where it matters! This is important in the context of the ECB's policy of identifying just 1,453 carefully-selected 'elite' recreational 'Focus Clubs' to receive major funding and the equally 'carefully-chosen' 200 clubs that, alone, are beneficiaries of the £9.4 million fund allocated to the ECB by Sport England for Community Club Development (the CCDF).

This policy leaves more than 5,000+ recreational/community cricket clubs throughout England and Wales – a very large percentage of whom are members of the NRCC – to fend for themselves; to be left to their fate with no support in any form forthcoming from the ECB in the foreseeable future and at a time when costs are spiralling – particularly insurance premiums and the new iniquitous (usurious) changes in the Laws relating to Licences of sports pavilions (now £800 a year – which, for many, is the equivalent of their entire net bar profits for the season!). Thus, the benefits and opportunities for further maximising the ACE brand throughout all levels of cricket - in addition to your 'upper quartile' target market that are MCC Members - are both substantial and quantifiable.

For all the reasons cited above, the Recreational Game is in urgent need of a blue-chip White Knight'. That is why involvement, investment and support from ACE European Group in the future development of Recreational Cricket through the NRCC and the ACU&S and their respective members is now so critical. An exponential growth in brand loyalty and recognition of ACE amongst all recreational, community and grass-roots cricketers would be assured.

Between us, the NRCC and the ACU&S have the necessary technical credibility and expertise, but what we need is to be able to demonstrate to Sport England, the ECB, the media *et al*, is that we also have essential concomitant financial/fiscal credibility that a joint-venture association with ACE would provide.

Such a joint-venture partnership or association can take a variety of forms, e.g. not wholly in the form of cash investment. What we are proposing is a mix of alternatives and, in return, a range of reciprocal *quid pro quos*.

The detail of what we are able to offer ACE in terms of reciprocal, quantifiable, returns depends entirely on ACE's marketing strategy and what you, in turn, seek from the broad-based market that NRCC and the ACU&S represent. For example, the most immediate return must be from the volume potential premium income that is represented by the NRCC 4,200 member clubs, all of whom need wide-ranging comprehensive cover (D&O, PA, PI, TP&PL; CRB, fire, theft, employee etc) and the 9,000 members of the ACU&S (nearer 10,000 if the umpires throughout the EU countries – organised by the European Cricket Council - who will be joining the ACU&S shortly, are included who also need PI, PA and health insurance protection. With some 827,000 individuals currently represented by the member clubs of the NRCC and the 9,000 members of the ACU&S, each of whom have families and many of whom are in the A-B socio-economic bracket, the opportunities for significant returns and benefits to ACE from the proposed 3-year investment we are seeking/proposing, are considerable.

Summary:

Subsequent to our submission of the original joint Proposal Document – I should like to put to you the following, separate, JVP/sponsorship proposals that are submitted on the understanding that both the NRCC and the ACU&S respectively, will each provide from their own resources, a dedicated full time 'in-house' individual to administer the promotion of the two separate joint-ventures in collaboration with both ACE and PCM Risk Solutions.

The NRCC:

For Year 1, 2005-2006, a £250,000 cash investment to enable the NRCC to:

- fulfil the programmes and promotions set out in the Draft Proposal Document;
- sponsor the National Inter-Leagues (Decider) Conferences' Champions Trophy Match at Wolverton on Wednesday 11 May;
- sponsor the NRCC v Lashings CC formal One-Dayer at Shenley on Tuesday June 14th, with full corporate promotion and hospitality facilities available (a minimum of between 1,000 to 2,000 expected to attend, hopefully more);
(NB: Andrew Fitch-Holland, Lashings CC's new Chief Executive, has confirmed to me that they will put out a full-strength side that will include top name international players including. Herschel Gibb, Brian Lara, Richie Richardson, Viv Richards, Jimmy Adams et al, to test the NRCC's rising young First XI stars).
- co-sponsor (a) the Festival of Cricket, and (b) two Open international 6-a-side Tournaments, all at the exclusive La Manga Club Cricket Facilities in Spain (set up and launched in 2003 with the help of the NRCC) in Spain, in October;
- upgrade the NRCC website and produce new member club Welcome/Information/Promotion AND special media packs about the full range of support services and facilities offered/provided by the NRCC;

- fund completion of the 2-CD set 'Playing It Safe' (see enclosed) featuring Dr Peter Gregory, the ECB's Chief Medical Officer and Frank Kemp, the ECB's Recreational Cricket Operations Manager. Although this pilot version refers to Allianz-Cornhill, if ACE funds it through its NRCC joint-venture, then all references to Allianz would be removed and replaced with whatever ACE's Marketing & Publicity departments want instead, including a completely re-designed 'jewel case' and label carrying both the ACE 'Mission Statement' and, throughout, the ACE logo. The initial production run would be for 3,000 selling at £14.99. Free advertorials would be placed in all the major cricket journals, on all appropriate websites, and in dedicated mass e-mails sent out to the NRCC and ACU&S databases. Distribution would be thru the NRCC, the Lord's Shop, W H Smiths, Menzies, Lilleywhites and other recognised sports retailers;

For Years 2 and 3, assuming satisfactory performances and the achievement of projected results during Year 1, we would be looking to secure a further £250,000 per annum, but in the form of a combination of 'cash' investment and submission of invoices for direct payment by ACE in accordance with mutually-agreed development programme budgets.

The ACU&S

For Year 1: 2005–2006, an immediate cash investment of £150,000 to enable the Association to:

- (i) continue its development programme of new IT/CD/video-based ranges of visual-oral/visual aural umpire and scorer training courses and examinations (all carrying the ACE logo) throughout the UK and Europe;
- (ii) purchase more, urgently-needed, XP-Pro based Elonex Prowire Soliton laptops and NEC 460 projectors on which to run these Courses and examinations;
- (iii) continue its annual programme of Spring/Autumn/Winter long-weekend specialised introductory and advanced Instructor (both Probationer and Senior), Oral Examiner and Assessor Development Forums;
- (iv) train more senior Umpire Instructors in preparation for an expansion in international exchanges and to assist Darrell Hair (now living in England and a full-time employee of the MCC) in his remit to establish consistency in Umpire Instructor Training Courses throughout all cricket playing countries;

PLUS, separate direct sponsorship of:

- (v) 5,000 assorted-size new white umpire's coats (and hats?) embroidered with the ACU&S badge and ACE logos that all member umpires appointed to stand in: (a) the 2005 Premier and Senior Leagues matches; (b) all rounds the ECB/Cockspur's National Knockout Competition (Final at Lord's); (c) all rounds of the Wisden-Cricketer National Village Competition (Final at Lord's); and (d) all rounds of the National

Sporting Club/Evening Standard Trophy Competition (Final at the Oval); and all rounds of the ECB National U15's Competition, will wear and so be photographed wearing identical ACE logo'd field dress;

- (vi) 1,000 ACE-logo'd Umpire 'Starter' Kits comprising coat, ball counter, run counter, overs cards, pair of bails, bowler's mark, pens, notepad, pair of small scissors, set of plasters and a copy of the MCC Laws 'Blue-book', all contained in an ACE European Group-liveried quality sports bag (see inside back cover of *How's That?* left with you after our meeting; and
- (vii) 5,000 copies of the MCC-published Manual by Darrell Hair on the 'Art of Player-Management and Fieldcraft' for umpires.

For Years 2 and 3, assuming satisfactory performances and the achievement of projected results during Year 1, we would be looking to secure £175,000 per annum, but in the form of a combination of 'cash' investment and submission of invoices for direct payment by ACE in accordance with mutually-agreed development programme budgets.

I would very much appreciate a further opportunity to sit down with yourself and Tony – and, possibly your Group Marketing/PR Manager? - to discuss the foregoing in more detail.

Finally, please note the Confidential copy of the Dolman Report enclosed that I am confident you will find interesting and the professionally-produced '*Playing It Safe*' pilot CDs (for return after your review) that have been endorsed by the ECB but upon which it has already been pre-agreed with the producers, the ACE European Group logo could appear in place of Allianz-Cornhill; i.e. neither the ECB nor Allianz-Cornhill having either a contract or the budget to provide the £5.500 sought, the ACE logo and other promotional material can be dominant and readily added/included.

I look forward to hearing from you.

Yours sincerely

BARRIE STUART-KING
Chief Executive, CCC/NRCC