

APPENDIX A**TERMS OF REFERENCE****1. RESOLUTION FROM THE 2015 AGM**

“The M.C.C. Committee shall commission a Review of Development Plans for Lord’s which shall be published to Members in full for consultation and which Members shall be invited to consider at a Special General Meeting to be held before the end of 2015, and such Review shall include a financial, risk and sensitivity analysis by a major firm of accountants (other than the Club’s current or prospective auditors) of:

- (a) A submission to be obtained from the Rifkind Levy Partnership (the latest revised Morley Plan);
- (b) The stand-development and other capital expenditure required to implement such elements of the current M.C.C. Masterplan for Lord’s as are planned during the next ten years;
- (c) M.C.C.’s financial projections for net operating income, for the next ten years;

And that no further Resolutions relating to Ground Development shall be permitted until such Special General Meeting has been held.”

2. EXPLANATORY NOTES ACCOMPANYING THE RESOLUTION FROM THE 2015 AGM**Introduction**

In January 2015, the Chief Executive & Secretary received a requisition signed by more than 120 Members who were seeking a reassessment of all redevelopment and funding options available to the Club. Such a reassessment was designed to include the leasehold land at the Nursery End and the Grove End Road properties adjoining Lord’s at the Pavilion End of the Ground.

Consideration by the M.C.C. Committee and subsequent action

The M.C.C. Committee considered the requisition at its meeting on 11th March 2015 and concluded that the draft Resolution had merit. It was clear that many Members had become confused as to the Club’s redevelopment plans, since there were various schemes – either suggested by the Committee or by the Rifkind Levy Partnership (RLP) – which had been in circulation.

The Club leases from RLP an area of land, covering 8,073 square yards at the Nursery End, which is a strip, 124ft wide, running parallel to and adjoining the Wellington Road boundary of the Ground. Roughly speaking, the limit of the land inside the Ground is the edge of the Cricket Academy. M.C.C. has a lease on this land which expires in 2137.

The Committee decided that the Chief Executive & Secretary, the Deputy Secretary and the Assistant Secretary (Estates) would meet representatives of the requisitionists for the purpose of agreeing a Resolution with which both the Committee and the requisitionists would be content. This meeting was successful; and the representatives of the requisitionists agreed to support the Committee’s proposal and to encourage Members who had signed the requisition to withdraw their support for it.

On the evening of the Committee meeting, a letter was e-mailed to those Members for whom the Club has e-mail addresses – and later in the month the same letter was posted to those without e-mail access – reporting that the Committee would propose at the A.G.M. the commissioning of a Review of Development Plans for Lord’s.

By 24th March 2015, the number of Members who had withdrawn their support for the original requisition was such that the number of remaining requisitionists had fallen below the minimum requirement of 120. The requisitioned Resolution ceased to be valid on that date.

Purpose of the Review

The Review of Development Plans, subject to the approval of Members, will concentrate on a thorough analysis, from the perspectives of finance, risk and sensitivity, on:

- the latest submission (currently known as the Morley Plan) received from RLP, who will also be asked to provide financial and other detailed information for consideration as part of the Review; and
- the Club’s ten-year financial projections, including the funding plans for the South-Western Project.

The Review will also include an assessment of the future of international cricket, and the strength of the position of Lord's in this context.

Independent nature of the Review

External independent advice will be sought.

Before the beginning of the Review, RLP will be asked formally to submit its latest plan for examination. This may be the most recent Morley Plan or a variation of it.

The RLP proposal will then be reviewed by independent property experts appointed by the Committee. Further, a review of the Club's financial projections over the next ten years will be undertaken by an independent firm of accountants who will be neither the current auditors nor their successors. Interviewing the Club's existing consultants, professional advisors and the Secretariat will be part of this process.

Approximate Timetable for the Review and the Special General Meeting

The Review must be a thorough exercise and for this reason it is difficult to estimate how long it will take. However, it

is hoped that the Review will be completed towards the end of the cricket season, when it will be sent to Members without recommendations. Afterwards, a series of informal meetings will be held during the autumn – at Lord's and around the country – to enable Members to contribute to this consultative process.

A report will then be compiled to include the points raised by Members at the informal meetings. Such points will be included in the printed material sent to Members in advance of a Special General Meeting at which the Review Document, together with the Committee's conclusions on the Review, will be formally considered by Members.

Prevention of further requisitions relating to Ground Development during the Review period

Within the Resolution described in this Explanatory Note is a clause prohibiting any further requisitioned Resolutions on the subject of Ground Development until such time as the Special General Meeting has been held. The Committee feels that this restriction is essential since the Review, if approved by Members, must be allowed to proceed without interruption. Many of the issues concerning Ground Development are inter-related.

3. BDO TERMS OF REFERENCE

BDO LLP is appointed to perform the following:

- Review and check the output of the ten-year model to 2027 in each of the three scenarios (Updated Masterplan, One Match Sensitivity, and RA's Morley Plan), and a high level review of the extrapolation of projections from 2028-2035;
- Review the main financial assumptions underlying the projected operating cash flows to 2027 for reasonableness given the Club's business model and the outlook for cricket;
- For both cost and revenue comment on the basis upon which the assumptions that are inherent within the model have been made, and provide a view as to the reasonableness, or not, of those assumptions. This will include reviewing the incremental revenue projections from the new facilities and seating;
- Specifically review and comment on how the following are reflected in the model: the Morley Plan and CBRE's critique of it, the residential valuations and costings from CBRE, the Gardiner & Theobald cash-flowed development costings and the DP9 input on planning costs;
- Consider reasonable sensitivities as appropriate in order to consider the risks of the core operation performing outside of current forecasts, including:
 - An increase in costings;
 - A delay in delivery against timetable; and
 - A reduction in income generated.
- Consider at a high level the treatment of tax and capital allowances and comment on the suitability;
- Confirm that the model has recorded the correct costings as provided by the Club's experts and that these have been accounted for correctly as advised;
- Comment on the robustness of the process undertaken by the Club.