



MINUTES – MEETING OF THE USA CRICKET BOARD OF DIRECTORS

Conference Call – May 11, 2020

Attendance

USA Cricket Board Directors

Paraag Marathe, Chair, Independent Director (PM), Ajith Bhaskar, Individual Director (AB), Atul Rai, League Director (AR), Avinash Gaje, Treasurer, Individual Director (AG), Venu Pisike, Individual Director (VP), Suraj Viswanathan, Secretary, Individual Director (SV), Catherine Carlson, Independent Director (CC), Nadia Gruny, Player Director (NG), Srinu Salver, Player Director (SS), Rohan Sajdeh, Independent Director (RS)

USA Cricket

Iain Higgins, CEO (IH)

Welcome (PM)

- PM opened the meeting and thanked everyone for their attendance, time and effort during the last several months.
- He explained that the purpose of this call was to say farewell to Atul and to provide an update on the financial impact of COVID-19.

End of term for Atul Rai (PM)

- PM noted that AR's term as a director comes to an end tomorrow, so this represents his final Board meeting. Sushil Nadkarni will replace AR and his term will start with effect from tomorrow and run until 31 December 2021, after it was agreed that they would split the term equally.
- On behalf of the Board, PM thanked Atul for his service to USA Cricket over past 20 months and for the work he has put in recently as a USAC Board director and Chair of Cricket Committee since July of 2020. He explained that AR will continue with a role on the Minor League Governing Council, and that PM will informally use AR from time to time as a special advisor on key issues.
- Each of AG, VP, NG & SV also thanked AR for the time he has served as a director on the USA Cricket board.

PM explained that he had asked IH to carry out a review of the finances of USAC in light of Covid-19, taking into account various different scenarios. He noted that IH had sent a detailed note to the directors ahead of this call.

IH took the directors through the financial analysis provided in the earlier email in detail. In particular, he highlighted: (i) how the current business model of USA Cricket was positioned to be able to manage in the short-to-medium term without cricket activity; (ii) the steps that had been taken and were being considered to reduce the cost base; (iii) a positive variance of approximately \$250k for our Q1 activities; (iii) the scenario planning exercise that had been done with various models in which domestic and international cricket returned at different stages in the calendar and the financial impact of each.

The Board noted the following summary:

- In the short-term: Because our cricketing activities cost us money; and because we don't generate any revenue from our cricketing activities; and because we have a very small staff; and because our core income streams for 2020 (ACE and ICC) are fixed, it is highly likely that we will end up in a better financial position that we had budgeted for by the end of the 2020.
- The mid/long-term picture is less certain for at least the following reasons:
 - o Consequences of COVID-19 will lead to a declining global cricket economy and weakening financial positions of Full Members, which will have an adverse impact (either directly or indirectly) on USA Cricket. It will also take some time before the full impact on USA Cricket of a completely restructured international calendar is known.
 - o The ICC's plans to deliver remaining major events in the cycle are still under review; and therefore the ability of ICC to generate all of its previously forecast revenue (and make distributions to Members in accordance with its previous plans) is presently unclear.
- However:
 - o USAC does not have significant or long-term liabilities which we carry on a month to month basis or which will be carried over into 2021.
 - o According to our forecast, unlike at the start of 2020, by the start of 2021, we will have developed a pool of cash reserves as a result of our cricketing inactivity in 2020.
 - o We anticipate having a clearer picture of the impact on ICC distributions following the ICC Board meeting in October 2020; and will probably get clear direction on distributions for 2021 around that time, which will give us plenty of time to plan for the 2021 calendar year.

- USAC has a corporate guarantee of MG payments from ACE through until 2030; and we have not agreed to any reduction in ACE payments (nor have we been asked to reduce).

The Board noted the detailed analysis and summary.