

David Grace

David Grace
Gen. Corp

From: bob bentley [crossmore13@yahoo.co.uk]
Sent: Sunday, 8 May 2011 5:22 PM
To: David Grace; david.grace2@bigpond.com
Subject: CONFLICT PERCEIVED

DAVID

PLEASE NOTE THE EXAMPLES OF ISSUES THAT I HAVE EXCUSED MYSELF FROM THE TATTS GROUP BOARD MEETINGS. DAVID WHILE ON THE SURFACE THERE WOULD SEEM TO BE POTENTIAL CONFLICT, THERE ARE VERY FEW ISSUES THAT HAVE RAISED THEIR HEAD.

1 POSSIBILITY OF TATTS MAKING AN OFFER FOR SKY CHANNEL LATE 2009. THIS WAS PRIOR TO RQL DEALING WITH THE SKY MEDIA RIGHTS. THE SKY CONTRACTS WITH THE CLUBS HAD NOT EXPIRED. THE CONTRACTS ARE WITH THE CLUBS NOT RQL.

NO PART IN DISCUSSION ABSENT THE ROOM.

NO ACCESS TO ANY BOARD MEETING MINUTES.

NOT AWARE OF THE OUTCOMES OR ANY OFFERS MADE

2 CONTRACT FOR PRODUCT PAYMENTS BY TATTS IS A CONTRACT THAT BECOMES UP FOR NEGOTIATION IN 2014. THIS IS PRODUCT CO NOT RQL

CONTRACT HAS NOT BEEN DISCUSSED NOR IS THERE ANY NEED BEFORE THE LEAD UP TO 2014

3 BOARD MINUTES RECORD THAT I AM CHAIR OF RQL

ANNUAL REPORT DECLARES THAT I AM NOT AN INDEPENDENT DIRECTOR. AS RQL IS A CONNECTING PARTY TO PRODUCT CO.

4 RQL DOES NOT CONTRACT DIRECT WITH TATTS GROUP THIS IS DONE THROUGH PRODUCT CO OF WHICH I AM NOT INVOLVED. NOR DO I RECEIVE THE MINUTES

5 MANAGEMENT MAKES DECISIONS WITH PRODUCT CO ON THE WAGERING PROGRAMME. THIS DOES NOT COME TO THE BOARD.

RQL

1 PRODUCT CO IS THE RELATED PARTY TO TATTS GROUP NOT RQL *PPA*

2 PRODUCT IS SUPPLIED THROUGH CONTRACT FIXED TO 2014 NO REQUEST HAS BEEN RAISED FOR CHANGE OR MODIFICATION AT BOARD LEVEL.

3 RGB IS NOTED IN ALL MINUTES AS A DIRECTOR OF TATTS GROUP

THE FOLLOWING RGB WAS NOT INVOLVED OR TOOK PART IN ANY DISCUSSION.

1 RACE FIELDS LEGISLATION OUTCOMES TATTS GROUP AND BOOKMAKERS [PRODUCT CO]

2 DEALINGS WITH BOOKMAKERS [PRODUCT CO]

3 TABCORP ATTEMPTED TAKEOVER OF UNITAB 2006 x

5 ALL PRODUCT CO MEETINGS NO MINUTES RECEIVED x

SKY CHANNEL [CURRENT 2010/2011]

CLUBS OWN THE RIGHTS TO THE RACE BROADCAST, RQL WAS APPOINTED AS AGENT TO NEGOTIATE WITH ANY AND ALL BROADCASTERS TO MAXIMISE THE FEES PAYABLE TO EACH CLUB AS A COLLECTIVE MEDIA RIGHTS CONTRACT.

THE PROCESS

. RQL ENGAGED A MEDIA RIGHTS COMPANY TO TABLE THE BEST OFFER FROM THE BROADCASTERS TO PUT TO THE CLUBS.

. OFFERS FROM MEDIA CO SKY AND TVN WERE PUT TO THE CLUBS.

. THE CLUBS MADE THE DECISION TO ACCEPT THE OFFERS /NOT RQL

. ONCE THE DECISION BY CLUBS WAS MADE ON EACH OFFER THE CLUBS AUTHORISED RQL TO NEGOTIATE THE CONTRACT TERMS WITH THE SUCCESSFUL COMPANY. IN THIS CASE SKY CHANNEL.

RQL ROLE WAS TO COORDINATE THE PROCESS AND ENSURE THAT THE CONDITIONS FOR THE FEES TO BE PAID WERE FAIR AND JUST AND THAT THERE WAS NO CONDITION THAT WOULD PUT THE QUEENSLAND RACING INDUSTRY SOME TIME IN THE FUTURE IN A UNFAVOURABLE POSITION SHOULD THERE BE A TRANSFER OF RIGHTS OR SALE OF THE MEDIA COMPANY THAT ULTIMATELY WON THE CONTRACT.

. TATTS GROUP WERE NOT AN INTERESTED PARTY AND THERE WAS NOTHING ADVISED BY TATTS BOARD THAT THERE WAS ANY CORPORATE ACTIVITY PENDING OR INTENTIONED.

. TABCORP IS IN COMPETITION WITH TATTS IN THE WAGERING BUSINESS AND THE OWNERS OF SKY CHANNEL. AS POINTED OUT BEFORE THE BUSINESS FOR RQL WAS TO HAVE THE BEST OFFERS AVAILABLE FOR THE CLUBS TO MAKE A DECISION. ONCE THE DECISION WAS MADE IT WAS RQL POSITION TO ENSURE THE FUTURE SECURITY OF THE INDUSTRY WAS NOT COMPROMISED.

AT ALL TIMES THE PERCEIVED CONFLICT IS KNOWN CLEARLY BY MY FELLOW DIRECTORS ON BOTH BOARDS AND I AM CONSTANTLY AWARE OF MY RESPONSIBILITIES.

R.G.BENTLEY