

> Subject: Grace advice
> From: michael.lambert@au.abnamro.com
> To: tonyhanmer@hotmail.com
> Date: Thu, 11 Dec 2008 14:03:20 +0800
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> I was and am stunned at your reaction to the issue I raised . I thought I
> was clear in the way I raised the matter but the verocity of your reaction
> must mean I failed In this regard .
>
> First , I am not concerned with how the grace letter arose or the
> motivation of mal .
>
> Second I agree with your lay person interpretation and assessment of the
> issue .
>
> Thlrd I have no problem with how you have handled the matter , at least up
> to the time of our phone conversatio/diatrbe .
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> My sole issue is to ensure that we and qr are not exposed In respect to our
> duties under corporations law . The matter that has arisen is not a run of
> the mill matter but has a potential financial impact of 10 m pa , would
> have a major impact on tats and exposes bob to a potential major conflict
> of interest issue . My suggestion to avoid these potential problems is
> simply to get senior counsel advice . I see this as insurance policy at the
> modest cost of say 5000 dollers . I also think I am entitled to raise such
> a matter and not to subject to an emotional dump
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> Michael
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From: tonyhammer@hotmail.com
To: michael.lambert@au.abnamro.com
Subject: RE: Grace advice
Date: Sun, 14 Dec 2008 12:45:40 +1000

Michael, I'm disappointed that you found my honest appraisal of the Grace advice unpalatable. Taking the points in your note specifically, I disagree with you when you say the origins of the Grace advice are of no concern to you. The Grace letter was briefed without any involvement by Product Co., or any reference to Product Co. The letter is addressed to Queensland Racing and Malcolm Tuttle is not an officer of Product Co. The letter was written code specific to Thoroughbreds, a different outcome could be imagined if it was briefed by the other codes or

Product Co. If we all rushed off and sought advice on every issue we would enjoy anarchy.

This brings me to your second point - you say you agree with my layperson interpretation and assessment of the issue. This is damning me with faint praise. In initially reading David Grace's advice, my judgement was that it was exceptionally tortured, unconvincing and extremely thin on its assessment. On that basis I sought advice from the Racing Office, they concurred with my view. However, not satisfied with that I asked Bob Lette from Mullins, who Bill Andrews describes "from Top End of Town" for his opinion. Bob, is extremely well respected and as Chairman of Harness has a depth of understanding of the issues. He confirmed to me this was a long bow and in a telephone conversation, a transcript of which you can obtain from Shara Murray, he confirmed he had checked his own advice with one of his partners - same result.

So, we are now looking at 4 people who all concur, I circulated the letter from Cooper Grace Ward to all Product Co. directors on 1st December, again, with no dissent. At the Product Co. meeting which you did not attend, this item was discussed and a determination was made for no further action. A week later, you decide you want it changed. I have exercised my judgement way beyond the extent of Corporations law, which as you are aware, cannot expect you to be right but does expect you to take care, caution and advice. So, you now want a 5th opinion at a "modest cost of say \$5000," an insurance policy.

Again, I am surprised and disappointed because the advice to date from Cooper Grace Ward has cost a shade under \$9000. If we were to proceed with this adventure we would need to obtain the very best advice, knowing that Unifab would defend this issue vigorously. So, I would suggest that we would go to Jackson who provided our Constitutional advice at a cost of \$52,000 to QR. A long way from your modest \$5000, but, never being a person closed to an argument and because naturally you feel so strongly about this we will again table the matter at the next Product Co. meeting.

On a lighter note, when I read your email I was flattered to hear you refer to my veracity - expecting this to be a compliment but not being aware of the word and sharing a common love of the English language I reached for my Oxford Dictionary but, no definition, similarly with my Websters and my Collins - no definition of veracity I can only assume this is a figment of your vocabulary - perhaps a Lambertism!

Tony Hammer

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