

IN THE AUSTRALIAN COMPETITION TRIBUNAL



ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

STATEMENT OF NICHOLAS KEENAN

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Filed on behalf of (name & role of party)

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STATEMENT OF NICHOLAS KEENAN

I, Nicholas Keenan, of Level 27, 120 Collins Street, Melbourne in the state of Victoria, Commercial Director, say as follows:

INTRODUCTION

1. I am the Commercial Director of CrownBet Pty Limited (**CrownBet**).
2. I am authorised to make this statement on behalf of CrownBet.
3. I make this statement from my own knowledge and from having consulted relevant staff and records of CrownBet and other persons whom I identify in specific paragraphs below. Where I make this statement on the basis of information that has been provided to me by relevant staff at CrownBet or other persons, I believe that information to be true.
4. In this statement, the '**proposed transaction**' means the proposed acquisition by Tabcorp Holdings Limited (**Tabcorp**) of Tatts Group Limited (**Tatts**).
5. Unless otherwise defined in this statement, terms used in this statement have the same meaning as defined in the Form S that Tabcorp filed as part of its application for authorisation of the proposed transaction (**Application**).

JOB TITLE AND POSITION

6. I commenced working at CrownBet in January 2015, when it was known as 'BetEasy'. I have held the role of Commercial Director since then.
7. As Commercial Director, I am the executive primarily responsible for business development at CrownBet. That includes responsibility for the ClubsNSW tender which I address in this statement.
8. Prior to working in my current role, between 2013 and 2015, I was the Managing Director of Maxus Communications Australia (which is a global media agency). Prior to 2013, I worked in senior executive roles in other lead agencies. My background is predominantly in business development and marketing.

CLUBSNSW AND TENDER PROCESS

9. ClubsNSW is the peak representational body for the New South Wales club industry. It currently represents approximately 1,137 member clubs of varying sizes.

10. In around August 2016, ClubsNSW decided to nominate a licensed Australian wagering operator as its official digital wagering partner. Its stated aim was to:
- (a) provide club members and patrons with a superior digital wagering service;
 - (b) in turn encourage wagering customers to visit clubs more often; and
 - (c) ensure participating member clubs obtained a viable financial return derived from digital wagering activity attributable to patrons, whether the wager was placed on a personal device within the premises or outside the premises.
11. Based on:
- (a) the tender documentation;
 - (b) discussions with representatives of ClubsNSW (specifically, Mr Anthony Ball (Chief Executive Officer, ClubsNSW) and Mr Joshua Landis (Executive Manager – Public Affairs, ClubsNSW)); and
 - (c) discussions with representatives of member clubs (as set out below),
- my understanding is that the decision to nominate an official digital wagering partner was made in the context of serious ongoing concerns as to the economic viability for licensed venues of Tabcorp retail wagering facilities within New South Wales clubs.
12. From my discussions with Mr Ball and Mr Landis, and senior stakeholders at two large venues **HIGHLY CONFIDENTIAL** [REDACTED] I understand that the vast majority of clubs are losing money on their retail wagering facilities. In particular, those people told me that:
- (a) many clubs have large areas of the venue dedicated to Tabcorp retail wagering facilities, with only 2 or 3 regular punters using those facilities;
 - (b) the costs associated with operating the retail wagering facilities exceed the return to clubs in the form of commission they are paid by Tabcorp on wagering turnover; and
 - (c) on average, medium to large sized clubs are losing approximately \$20,000 per annum on retail wagering facilities.
13. Mr Ball and Mr Landis have told me that the primary concern for ClubsNSW is that the current arrangements with Tabcorp fail to capture digital wagering which takes place on a personal device within the retail environment or by club members outside of the venue. An ever increasing number of punters bet through digital channels with their own personal devices. Accordingly, retail

wagering facilities which do not pay commission to clubs on revenue generated through digital channels will become less and less profitable over time.

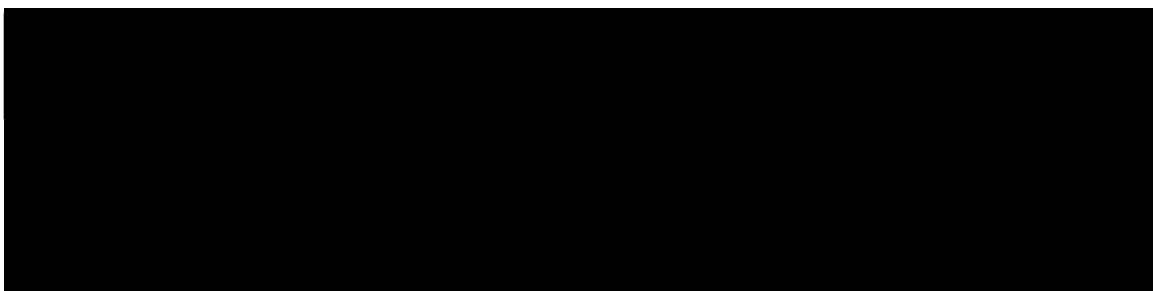
14. In this context, ClubsNSW commenced a competitive tender process. Now produced and shown to me and marked **Annexure NK-1** is a copy of the proposal guidelines made available by ClubsNSW to CrownBet, SportsBet Pty Limited, Tabcorp Holdings Limited and Betting.Club (each of which was invited to submit a proposal). CrownBet submitted a proposal to ClubsNSW in response to the tender.

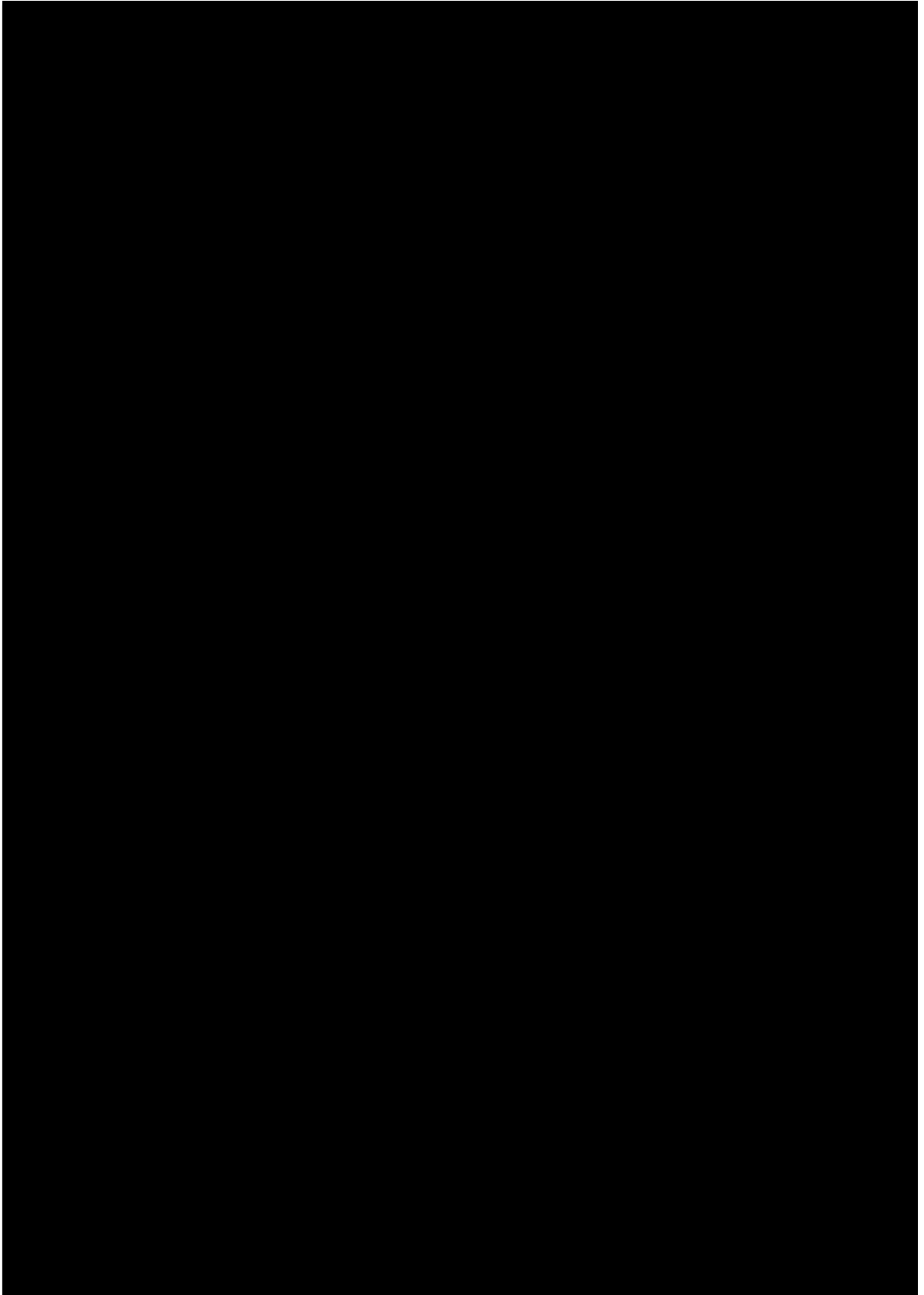
Outcome of tender process ClubsNSW and tender process

15. Following completion of the tender process, ClubsNSW appointed CrownBet as its official digital wagering partner.
16. On 7 February 2017, ClubsNSW and CrownBet announced CrownBet's appointment as the official digital wagering partner of ClubsNSW. In a "circular" (i.e. a written communication) to its members, ClubsNSW stated that the '*CrownBet proposal was superior in all respects including total financial returns, marketing and capital investment and value-add services to drive customer engagement such as loyalty rewards and daily fantasy sports*'. Now produced and shown to me and marked **Annexure NK-2** is a copy of that circular, which was sent to CrownBet by a representative of ClubsNSW.
17. I am informed by Mr Ball and believe that:
 - (a) Tabcorp participated in the tender process, but was unsuccessful; and
 - (b) at no stage during the process did Tabcorp voice any concern that the digital offering requested by ClubsNSW would be unlawful if another wagering operator delivered it.
18. Further, at no time during the tender process did Tabcorp communicate to CrownBet any concern as to the legality of the proposed arrangements or its involvement in the tender process.

The Digital Wagering Advertising Solution

HIGHLY CONFIDENTIAL





- [REDACTED]
23. Despite ClubsNSW's endorsement, a member club can choose to appoint Tabcorp or any other wagering operator as its digital wagering advertising partner at its discretion and on terms as it sees fit.
 24. If a member club executes an ILVA, the arrangement does not preclude that club from, among other things, conducting or permitting a third party to conduct retail cash-based wagering within the club.
 25. CrownBet has committed to investing up to **HIGHLY CONFIDENTIAL** [REDACTED] across the ClubsNSW network, the total quantum being dependent upon the number of member clubs who decide to sign an ILVA with CrownBet and the number of members who activate CrownBet accounts.
 26. **HIGHLY CONFIDENTIAL** [REDACTED]

TABCORP CONDUCT

27. I describe below conduct of Tabcorp since the announcement of the digital wagering partnership that, in my view, has sought to deter members of the ClubsNSW network from engaging CrownBet as their digital wagering advertising partner.

Circulars sent by Tabcorp to member clubs

28. On 7 February 2017, Tabcorp sent a letter to members of the ClubsNSW network which have Tabcorp retail wagering facilities. I understand that there are presently 732 such clubs. The letter challenged the legality of the provision of the digital wagering advertising solution by CrownBet and stated, among other things, that '*Tabcorp has not confirmed to ClubsNSW that its 'retail' wagering service will be available to operate alongside CrownBet's 'digital' wagering service*'. Now produced and shown to me and marked **Annexure NK-3** is a copy of that letter, which was sent to CrownBet by a representative of ClubsNSW.

29. On 8 February 2017, ClubsNSW issued a circular to member clubs responding to the allegations made by Tabcorp. Now produced and shown to me and marked **Annexure NK-4** is a copy of that circular, which was sent to CrownBet by a representative of ClubsNSW.
30. On 14 February 2017, Tabcorp sent a further letter to members of the ClubsNSW network which stated, among other things:

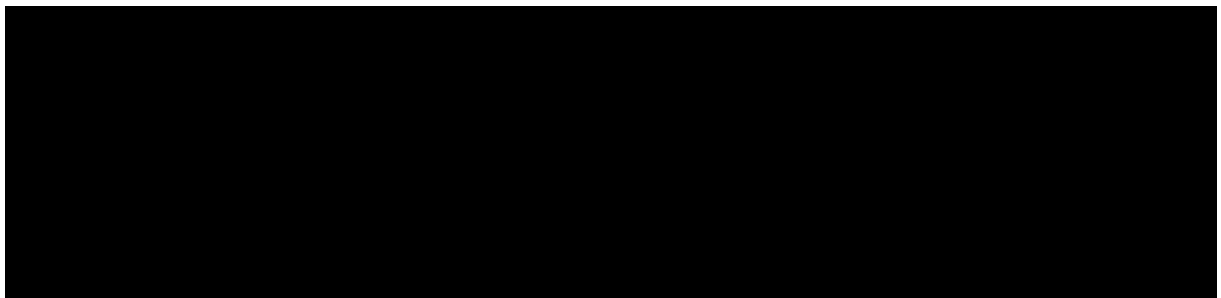
As communicated last week, Tabcorp has not confirmed to ClubsNSW that its 'retail' wagering service will be available to operate alongside CrownBet's 'digital' wagering service...

Tabcorp's position is that it is the only entity that is authorised under NSW wagering legislation to provide wagering services off-course in NSW (including in registered clubs). We believe that the CrownBet Arrangement constitutes a form of off-course wagering service and that it is therefore unlawful.

... Tabcorp is not prepared to negotiate with venues on a non-exclusive basis in a manner that would give credence to what we consider to be a business model that contravenes the legislative framework.

31. Now produced and shown to me and marked **Annexure NK-5** is a copy of that letter, which was sent to CrownBet by a representative of ClubsNSW.
32. On 15 February 2017, ClubsNSW issued a circular to its members which sought to correct statements made in the Tabcorp letter and clarify the arrangements with CrownBet. Now produced and shown to me and marked **Annexure NK-6** is a copy of the circular, which was sent to CrownBet by a representative of ClubsNSW.

HIGHLY CONFIDENTIAL



Further correspondence from Tabcorp to individual clubs

35. I am aware that Tabcorp arranged face to face meetings with representatives of various clubs. Now produced and shown to me and marked **Annexure NK-7** is a copy of the PowerPoint presentation given by Tabcorp to club representatives, which was sent to CrownBet by a representative of ClubsNSW.

36. On 24 February 2017, Tabcorp sent a letter to a club which had given notice of its intention to terminate its 'Licenced Venue TAB Distribution Services Agreement' with Tabcorp. The letter stated, among other things:

We note the statement in your letter that you are not seeking to affect other services provided by Tabcorp other than under the Agreement. We are currently considering our position in relation to the provision of other services (such as Sky vision) and will contact you separately about this.

37. On the same day, Tabcorp sent another letter to a different club which stated, among other things 'Tabcorp has not agreed terms with ClubsNSW in respect of a new non-exclusive standard agreement'.

38. Now produced and shown to me and marked **Annexure NK-8** are copies of the letters, which were sent to CrownBet by a representative of ClubsNSW.

39. Further, on about 28 February 2017, Tabcorp sent meeting agendas to members of the ClubsNSW network which stated:

Tabcorp's position is that it is the only operator that is authorised under NSW law to provide off-course wagering services in NSW.

We believe that the CrownBet arrangements constitute a form of off-course wagering service that is unlawful.

40. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-9** is a copy of the meeting agendas.

Further correspondence regarding Sky Racing

41. On 10 March 2017, [REDACTED] sent a letter to Tabcorp that stated, among other things:

This issue I have is that a representative of your company recently visited my Senior Managers and indicated that your company would remove its wagering services if our club took up the offer with CrownBet. SKY Channel is an important part of our service to our members and any constraints to the existing service will be damaging to my business.

42. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-10** is a copy of that letter.

43. On 16 March 2017 (three days after the application was made to the Tribunal), David Attenborough of Tabcorp sent an email to Mr Ball (Chief Executive Officer, ClubsNSW), that stated, among other things:

'I understand that some clubs have discussed the recent CrownBet offer with Tabcorp business managers, and that there have been questions about whether Sky Racing would continue to be supplied to venues which enter into an agreement with CrownBet. I also appreciate that there may be some confusion about our position as a result of misinformation in the market...

...I can confirm that Sky Racing will continue to be supplied to all venues. We have also clarified this position with ClubsNSW directly.

Subscription charges will be calculated on the basis of the current Sky Racing rate card and in accordance with the terms of the existing Sky Racing licence agreement.

The rate card includes a fixed price component and a variable fee based on wagering turnover. The variable fee is calculated by reference to wagering turnover at the premises, which would include any digital turnover.'

44. I received a copy of the letter from Mr Ball. Now produced and shown to me and marked **Annexure NK-11** is a copy of the letter.

MEETINGS WITH CLUBS

45. During February and March 2017, I had meetings with representatives of various clubs within the ClubsNSW network. Mr Alvy Buffon, CrownBet 'Head of Operations – NSW Clubs', has also participated in meetings with representatives of various clubs.
46. Since February this year, I (or another representative of CrownBet) have also attended 11 ClubsNSW "roadshows", which are meetings of representatives of clubs that are held quarterly in different regions of New South Wales and are attended by members of Clubs NSW in that region. Typically, over 100 clubs were represented at each of these roadshows. During the roadshows, senior executives of ClubsNSW and I (on behalf of CrownBet) gave presentations regarding the digital wagering advertising partnership. Typically, following the presentations there was a "question and answer" session.
47. During CrownBet's meetings with clubs, and during the question and answer sessions at the roadshows, club representatives consistently expressed concerns about the level of service and support being provided by Tabcorp in relation to retail wagering facilities. A consistent message was that they have not seen or spoken to a Tabcorp representative in 3 or 4 years, despite having

requested assistance from their Tabcorp representative. They said that this was particularly troubling because they provided Tabcorp with access to their members, which they understood was of considerable commercial value to Tabcorp.

Roadshow hosted by Souths Juniors

48. One of the roadshows was hosted by Souths Juniors on 14 February 2017. During this roadshow club representatives made comments to the effect of those I referred to in paragraph 47. In addition:

- (a) representatives of a number of clubs said words to the effect that they had been informed by representatives of Tabcorp that Sky would be discontinued in clubs that took up the CrownBet offer, or alternatively the price for Sky would increase substantially; and
- (b) representatives of a number of clubs advised that a Tabcorp representative had told them that Tabcorp retail wagering facilities would be removed in clubs that took up the CrownBet offer.

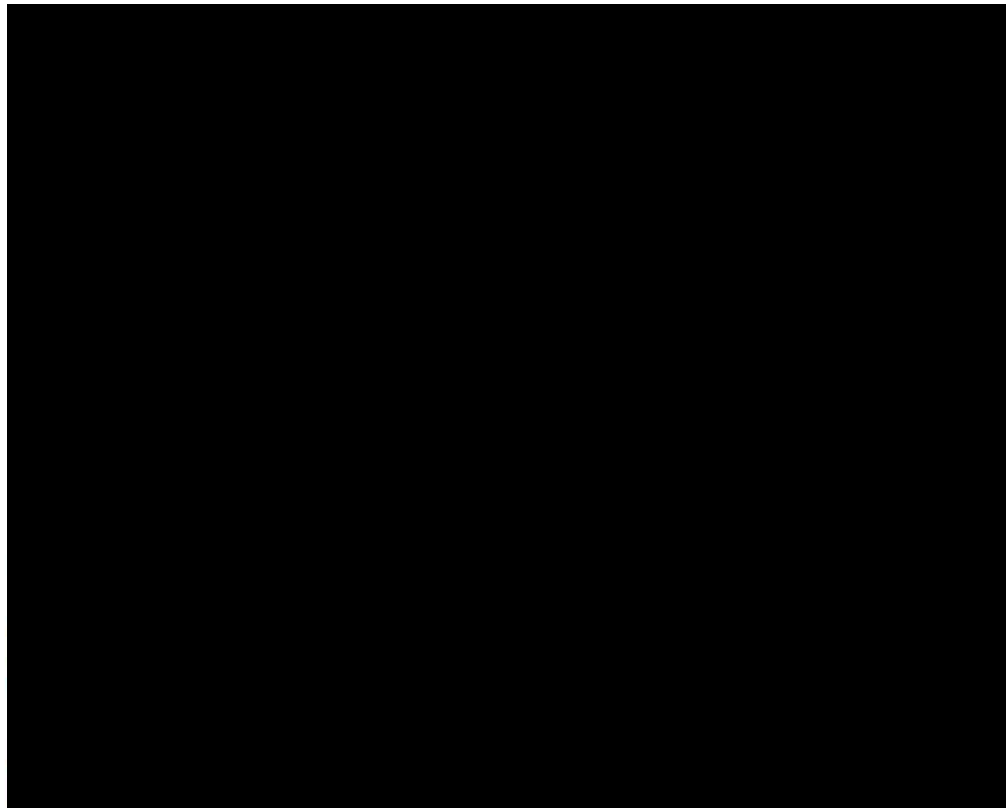
HIGHLY CONFIDENTIAL

49. Mr Buffon informs me that on [REDACTED] he met with the [REDACTED]. [REDACTED] am informed by Mr Buffon that [REDACTED] told him that:

- (a) [REDACTED] had not met with any representative of Tabcorp in years; and
- (b) [REDACTED] had heard about the CrownBet proposal and was very excited about it, but had also heard 'rumblings' that Tabcorp representatives were threatening to remove retail wagering equipment and Sky from clubs that took up the CrownBet offer.

50. Mr Buffon informs me that, following his meeting with [REDACTED], he had a number of telephone calls with [REDACTED]. During those telephone calls, Mr Buffon informs me that [REDACTED] told him that [REDACTED] had decided not to take up CrownBet's offer. ClubsNSW subsequently forwarded an email from [REDACTED] to Mr Buffon. In that email, [REDACTED] stated as follows:

[REDACTED]



51. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-12** is a copy of this email.

HIGHLY CONFIDENTIAL

[REDACTED]

52. Mr Buffon informs me that, on [REDACTED] he met with [REDACTED]. During that meeting, [REDACTED] told Mr Buffon that he had been excited about the CrownBet proposal, until he had received a letter from Tabcorp advising that it was illegal. Following that meeting, [REDACTED] Mr Buffon and [REDACTED] exchanged emails in which:

[REDACTED]

53. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-13** is a copy of this email.

HIGHLY CONFIDENTIAL

54. [REDACTED] I met with [REDACTED]

[REDACTED] During that meeting:

- (a) [REDACTED] told me that Tabcorp representatives had advised representatives of [REDACTED] that they would discontinue retail wagering operations in clubs that took up the CrownBet offer;
- (b) [REDACTED] told me that he had had an issue with Tabcorp at another club where he was previously employed in a senior management position, where Tabcorp unilaterally reduced the retail wagering commission rate of 2% of turnover to 1.25% without any explanation; and
- (c) [REDACTED] said they were concerned that this may happen at other clubs which took up CrownBet's offer.

HIGHLY CONFIDENTIAL

55. [REDACTED] I met with [REDACTED]

[REDACTED] During that meeting, [REDACTED] and I discussed the appointment of CrownBet as the ClubsNSW official digital wagering advertising partner, and the response of Tabcorp following the announcement of the partnership. During that discussion, [REDACTED] said words to the effect that:

- (a) [REDACTED] Tabcorp made contact soon after the CrownBet announcement to discuss the retail wagering agreements between Tabcorp and [REDACTED]
- (b) the new Tabcorp retail wagering agreements included an amendment to extend the wagering exclusivity to include all digital wagering operation and promotion;
- (c) in discussions with a representative of Tabcorp, the representative made 'very clear' to [REDACTED] that Tabcorp would not co-exist with CrownBet and that the appointment of CrownBet as a preferred digital advertising partner in any of the [REDACTED] would lead to Tabcorp immediately pulling out all retail wagering infrastructure; and

(d) the Tabcorp representative told [REDACTED] that they would consider their position on Sky Racing.

56. About a week after the meeting on [REDACTED] [REDACTED] called me and told me that he had had a further meeting with a Tabcorp representative to discuss [REDACTED]. [REDACTED] During that meeting, the Tabcorp representative stated that as soon as the existing retail wagering agreement was terminated Tabcorp would remove all retail wagering equipment.

HIGHLY CONFIDENTIAL

[REDACTED]
[REDACTED] received an email from Dane Burgess (an employee of CrownBet who had been assisting in the roll out of the CrownBet digital wagering proposal). Mr Burgess had spoken to [REDACTED]

58. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-14** is a copy of this email.

59. [REDACTED]

[REDACTED]

60. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-15** is a copy of this email, which was forwarded to Mr Buffon by an employee of ClubsNSW.

HIGHLY CONFIDENTIAL

[REDACTED]

61. [REDACTED] Mr Buffon exchanged emails with [REDACTED] in relation to a trial of the CrownBet digital wagering advertising solution at their venue. Mr Buffon forwarded me copies of those emails, in which [REDACTED]

[REDACTED]



62. Now produced and shown to me and marked **HIGHLY CONFIDENTIAL Annexure NK-16** is a copy of this email.
63. [REDACTED] has decided not to go ahead with the CrownBet digital wagering advertising solution at this time.

Roadshow hosted by SSA Club

64. On 6 March 2017, I attended a roadshow hosted by the SSA Club, at which club representatives made comments to the same effect as those I referred to in paragraph 48 above. In particular:
- (a) representatives of a number of clubs said they had been informed by representatives of Tabcorp that Sky would be discontinued in clubs that took up the CrownBet offer, or alternatively the price for Sky would increase substantially; and
 - (b) representatives of a number of clubs advised that they had been advised by representatives of Tabcorp that all TAB retail wagering facilities would be removed in clubs that took up the CrownBet offer.

HIGHLY CONFIDENTIAL



65. [REDACTED] met with [REDACTED] [REDACTED] told me that he had a meeting with a Tabcorp representative following the announcement of the digital wagering advertising partnership and that representative had made it clear to him that Tabcorp would not co-exist with CrownBet, and that the appointment of CrownBet as a preferred digital advertising partner would lead to Tabcorp immediately pulling out all current retail wagering infrastructure.

HIGHLY CONFIDENTIAL



66. I am informed by Mr Buffon, that [REDACTED] he met with [REDACTED]
[REDACTED]
[REDACTED] Mr Buffon informs me that, during the meeting the attendees told him that:
- (a) they had each been informed by representatives of Tabcorp that retail betting equipment would be removed if the CrownBet offer was taken up;
 - (b) Tabcorp reserved its rights in relation to Sky; and
 - (c) Tabcorp had suddenly taken an interest in their clubs, after having been totally ignored for years.

HIGHLY CONFIDENTIAL

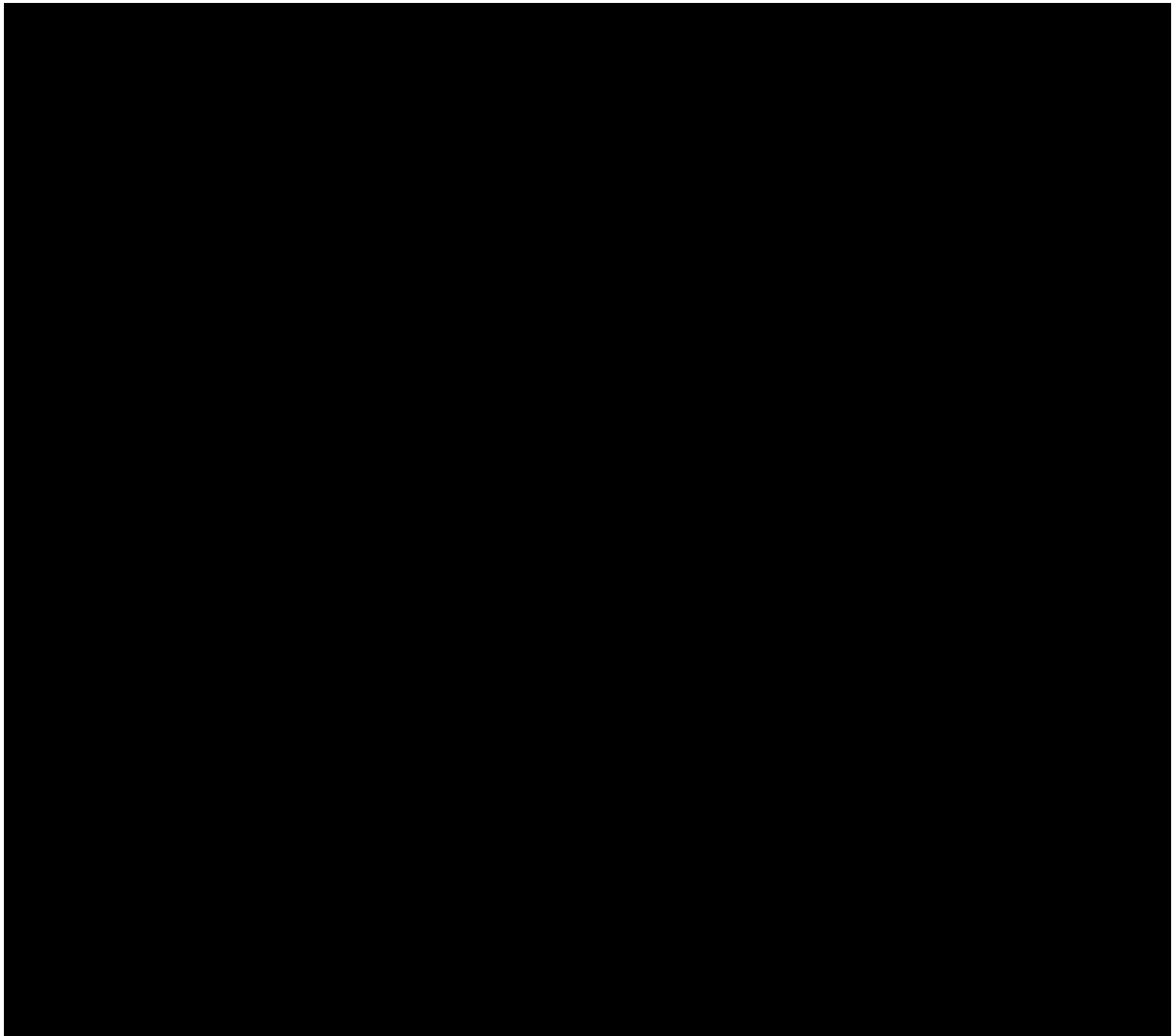
67. [REDACTED] met with [REDACTED]
[REDACTED] During that meeting we discussed the response from Tabcorp following the announcement of the partnership. [REDACTED] told me that:
- (a) [REDACTED] he had received 'threatening' communications from Tabcorp as regards the co-existence of the CrownBet offering with existing retail wagering facilities and Sky Channel. [REDACTED]
[REDACTED]
 - (b) Tabcorp's representatives had made it very clear to [REDACTED] that they would remove all retail wagering products and services if CrownBet was appointed, and they would also consider their position on Sky Channel;
 - (c) Tabcorp had been a poor partner, and specifically had failed to respond to requests for staff training and assistance, and better commercial terms in light of the inability of the club to earn a sustainable profit; and
 - (d) the club only had 1 or 2 regulars who consistently used the retail wagering facility. The facility takes up a large area of the venue, and is only used during 3-4 key events in the calendar year (i.e. Melbourne Cup, State of Origin, Easter Carnival).

HIGHLY CONFIDENTIAL

68. [REDACTED] received a telephone call from [REDACTED]
[REDACTED] During that call, [REDACTED] told me that he had met with a Tabcorp

representative the previous day and that representative had made it very clear to him that Tabcorp would not continue to provide retail wagering facilities if the club signed a deal with CrownBet.

HIGHLY CONFIDENTIAL



I verify that I have read the contents of this statement and the documents referred to in it and that I am satisfied that to the best of my knowledge, information and belief, it is true and correct in every particular.

DATED 13 April 2017



Nicholas Keenan

INDEX OF ANNEXURES TO STATEMENT OF NICHOLAS KEENAN

Annexure	Title	Confidentiality
NK-1	ClubsNSW Digital Wagering Operator Proposal Guidelines (August 2016)	
NK-2	ClubsNSW circular to members dated 7 February 2017	
NK-3	Letter from Tabcorp to ClubsNSW members dated 7 February 2017	
NK-4	ClubsNSW circular to members dated 8 February 2017	
NK-5	Letter from Tabcorp to ClubsNSW members dated 14 February 2017	
NK-6	ClubsNSW circular to members dated 15 February 2017	
NK-7	Tabcorp presentation to ClubsNSW members (February 2017)	
NK-8	Letters from Tabcorp to ClubsNSW members dated 24 February 2017	
NK-9	Tabcorp meeting agendas sent to ClubsNSW members dated 28 February 2017	Highly Confidential – Restriction of publication of part document claimed
NK-10	Letter from [REDACTED] to Tabcorp dated 10 March 2017	Highly Confidential - Restriction of publication of whole document claimed
NK-11	Letter from Tabcorp to ClubsNSW members dated 16 March 2017	
NK-12	[REDACTED]	Highly Confidential - Restriction of publication of whole document claimed
NK-13		Highly Confidential - Restriction of publication of whole document claimed
NK-14		Highly Confidential - Restriction of publication of whole document claimed

Annexure	Title	Confidentiality
NK-15		Highly Confidential - Restriction of publication of whole document claimed
NK-16		Highly Confidential - Restriction of publication of whole document claimed

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-1" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-1**

ClubsNSW Digital Wagering Operator Proposal Guidelines
(August 2016)

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

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**Digital Wagering Operator
Proposal Guidelines**

August 2016

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Introduction

These guidelines have been developed to assist wagering operators in preparing a proposal for ClubsNSW consideration as part of its review into digital wagering. This provision of information in a standard format will assist ClubsNSW in its evaluation process.

However, the guidelines are not intended to restrict proposals to the information outlined below; operators are encouraged to provide supplementary information where relevant.

Proposal Guidelines

A. Company Information

Topic	Details
1. Company Overview	<p>Description</p> <ul style="list-style-type: none"> - Mission/ Purpose - Overview of strategy - Core products and services - Product brands - Geographies <p>Corporate</p> <ul style="list-style-type: none"> - Ownership - Directors / Board - Related entities - Executive, key personnel - Employees <p>Financial overview</p> <ul style="list-style-type: none"> - Recent years financial performance and reporting across key metrics (Australian business, global) - Market cap etc. <p>Regulatory</p> <ul style="list-style-type: none"> - Licenses held - Regulatory performance <ul style="list-style-type: none"> o incl. fines, convictions or impending legal cases <p>Partnerships</p> <ul style="list-style-type: none"> - Relevant other commercial and strategic partnerships
2. Core Business Metrics	<p>Trends in core business metrics for wagering division:</p> <ul style="list-style-type: none"> - Number of active customers - Customer betting profiles - Age profiles/ target markets - Wagering turnover profile (sport, racing etc) - Turnover growth - Operating Margins - Acquisition / Marketing costs - Industry Rank/ Market Share

-
- Contribution in product fees to racing and sports bodies

3. Company Profile and Business in NSW

Existing business in NSW

- Licenses held
 - Partnerships
 - Number of customers
 - Market Share
 - Contributions in product fees to racing and sports bodies
 - Non wagering businesses
-

B. Wagering Products and Services

Topic	Details
1. Existing B2C Products and Services	<p>Consumer Wagering Products</p> <ul style="list-style-type: none"> - Brands - Products <p>Wagering product delivery and technology overview:</p> <ul style="list-style-type: none"> - Philosophy - Technology Platform - 'Traders'/ Markets - Pricing - Complementary Media Products - Rewards/ Loyalty - Etc. <p>Current use of complementary technologies:</p> <ul style="list-style-type: none"> - Ability to top up or withdraw cash - Media services - Etc. <p>How will offering evolve over time?</p>
2. Existing B2B Products and Services	<p>Business Partners</p> <ul style="list-style-type: none"> - Brands - Products <p>Wagering product delivery and technology overview:</p> <ul style="list-style-type: none"> - Philosophy - Technology Platform - 'Traders'/ Markets - Pricing - Complementary Media Products - Rewards/ Loyalty - Etc. <p>Current use of complementary technologies:</p> <ul style="list-style-type: none"> - Ability to top up or withdraw cash - Media services - Etc. <p>How will offering evolve over time?</p>

3. Affiliates, sponsorships, partnerships and Joint Ventures	<p>Current approach/ strategy for Affiliates, Sponsorships/ Partnerships and Joint Ventures</p> <ul style="list-style-type: none"> - Existing deals - Objectives - Commercial and operating frameworks - Measures of success - Governance/ operating models - Learnings from these partnerships to be applied to Clubs NSW
4. Marketplace Trends	<p>Key trends and major forces shaping the Australian wagering market</p> <ul style="list-style-type: none"> - Consumer - Technology - Regulatory - Product preference of consumers - Commercial - Operator corporate strategy <p>What is important now, and will be important in the future</p> <p>Specific views on the NSW market</p>
5. Social Contribution & Responsible Gambling	<p>Key Programs</p> <p>Application to this proposal</p>

C. Partnership Proposal

Topic	Details
1. Interest in Pursuing ClubsNSW Partnership	<p>What is the appeal of the ClubsNSW partnership?</p> <p>What business strategy problem does this opportunity possibly solve for your organisation?</p> <p>In the broader context of the strategic plan for your business, how significant is this undertaking/ possible impact on your business?</p>
2. Key Principles and Objectives	<p>Key principles your organisation brings to major strategic and commercial partnerships</p> <p>Key principles and objectives to imbed into ClubNSW partnership</p>
3. Scope	<p>What products, services and businesses do you propose as being in scope for consideration in this partnership?</p>
4. Benefits for Club Members and Operators	<p>What consumer problem are we seeking to solve?</p> <p>What business problem are we seeking to solve for Clubs?</p> <p>How can our proposed solutions:</p> <ul style="list-style-type: none"> - Increase club member sign up retention - Increase in venue patronage and spend - Increase revenue for clubs
5. Key Outcomes	<p>Preliminary views on the key outcomes sought:</p> <ul style="list-style-type: none"> - Short-term (1 year) - Medium-term (3-5 years) - Long-term (10 years)

D. Core Solution: Preliminary Product Design Considerations

Topic	Details
1. Target Market	<p>View on target market:</p> <ul style="list-style-type: none"> - Club members - Club visitors (non-member) - Broader market outside of venues <p>Existing digital customer, or conversion of retail customer to digital?</p> <p>What do we need to believe about the target market that gives us confidence we can convert them?</p>
2. Brand	<p>Preliminary view on brand:</p> <ul style="list-style-type: none"> - Existing wagering operator core brand; - Sub-brand; or - Jointly-owned, club specific brand
3. Digital Product and Offers	<p>Preliminary view on:</p> <ul style="list-style-type: none"> - Any difference to existing product? - Special incentives?
4. Readiness	<p>Views on the quality of club data, and hence, different state of 'readiness' of clubs across the network to successfully engage in this model</p>
5. Club Service Offering Segmentation	<p>Views on:</p> <ul style="list-style-type: none"> - No SKY, No TAB – and take on in-venue and digital new model; - Yes SKY, No TAB – and take on in-venue and digital new model; - Yes SKY, Yes TAB – and take on digital only new model;
6. Customer Acquisition (In and Out of Venue)	<p>Preliminary blueprint for acquisition of members</p> <p>What is our instinct on what will influence and motivate club members?</p> <p>In Venue:</p> <ul style="list-style-type: none"> - Ambassadors

	<ul style="list-style-type: none"> - Sign up/ Account opening technology - Promotion and theming in venue <p>Digital/ Marketing</p> <p>Incentives for club members/ guests to sign up</p>
7. In-venue Experience	<p>Wagering Information</p> <ul style="list-style-type: none"> - Digital Form - Market information - Prompts <p>Services:</p> <ul style="list-style-type: none"> - Cash In/ Cash Out - Mobile Phone charging <p>Experiential Concepts for Wagering areas/ 'Lounges'</p> <p>Media services</p> <ul style="list-style-type: none"> - Integration around Club venue <p>Use of in venue wifi/ beacons</p> <ul style="list-style-type: none"> - Incentives/ loyalty - Special betting offers - Integration to F&B in venue
8. Navigating existing constraints in venue	<p>State Retail wagering license constraint</p> <ul style="list-style-type: none"> - How to navigate and not breach <p>SKY Channel</p> <ul style="list-style-type: none"> - Retain, or alternative? <p>Fox Sports</p> <ul style="list-style-type: none"> - Retain, or alternative?
9. Complementing Existing Loyalty Schemes	<p>Avoid separate schemes that dilute the effect of a patrons spend around the venue?</p> <p>How can the proposed wagering solution add value to the existing club loyalty and rewards schemes?</p>

E. Seamless Delivery

Topic	Details
1. Seamless Experience	Vision for how the wagering product works within, and creates extra value for, existing club business services
2. Leveraging Existing Systems and Processes	Views on utilising: <ul style="list-style-type: none">- Club membership cards- Venue member sign-in- Venue visitor sign-in- Annual member renewal- Venue loyalty program- In-venue apps

F. Data Management and Protection

Topic	Details
1. Protecting Clubs Interests	<p>Views on how to protect club data</p> <p>Ownership of customer information</p> <p>Rights to customer and customer information throughout partnership</p> <p>Rights to customer and customer information post partnership</p>
2. Improving Venue and Network Capability	<p>Getting clubs and venues 'Ready' to manage the new model</p> <ul style="list-style-type: none"> - Organisation of existing data <p>Simple implementation model for clubs</p> <p>Improving systems ongoing</p> <ul style="list-style-type: none"> - Platform selection - Platform integration - Potential for shared services - Data Management - Customer profiling and insights - E- Marketing <p>Case studies or examples where your organisation has provided these services</p>

G. Proposed Commercial Model

Topic	Details
1. Framework	<p>Proposed framework for a commercial and strategic partnership at:</p> <ul style="list-style-type: none"> - ClubsNSW, and - Venue level <p>Including;</p> <ul style="list-style-type: none"> - Period/ Term - Phases - Model: <ul style="list-style-type: none"> o License o Joint Venture o etc.
2. Partnership with ClubsNSW	<p>Exclusive or non-exclusive</p> <p>Commercial</p> <ul style="list-style-type: none"> - Sponsorship - Exclusivity <p>Incentives</p> <p>Strategic partnership</p> <ul style="list-style-type: none"> - Regulatory - Other licences
3. Partnership with individual clubs	<p>Sponsorship</p> <p>Provision of in-venue technology</p> <p>Commissions on business generated</p> <ul style="list-style-type: none"> - Customer sign ups - Wagering turnover or net revenue <p>Provision of technology and capacity support</p> <p>Incentives for clubs to change model</p> <ul style="list-style-type: none"> - Protections for clubs that move early in POC <p>How do we see these proposed terms as sufficiently improved to incentivise a venue to:</p> <ul style="list-style-type: none"> - move away from TAH; and

	<ul style="list-style-type: none"> - grant an exclusive position to the wagering operator
4. Other	<p>Marketing Support</p> <p>Technology support</p>
5. Obligations on ClubsNSW and Clubs	<p>To what degree do the clubs have to have signed up to participating, and on what conditions?</p> <p>Assumptions from Wagering Operator regarding business delivered from ClubsNSW network</p> <p>Conditions on ClubsNSW and Clubs to deliver to partnership</p> <p>Required protections</p>
6. Forecasts and Key Targets	<p>Scenarios / sensitivities around:</p> <ul style="list-style-type: none"> - Possibilities - Number of venue - Number of member - Turnover under management - Etc. <p>Benchmarks or comparable results to give credibility to forecasts</p> <p>Measurement approach</p>
7. Non-commercial benefits	<p>Support for club community and sports initiatives</p> <p>Support for ClubsNSW community partners</p> <p>Partnership on regulatory and government issues</p>
8. Collective Value	Sum Total

H. Transition, Roll-out, Governance and Implementation

Topic	Details
1. Readiness	<p>What is required to make a start?</p> <p>What lessons have been learned from large scale implementations and investments previously?</p>
2. Roll-out Phasing and Considerations	<p>Articulate a preliminary view of the sequence of activity , timelines and considerations</p> <p>Phase 1:</p> <ul style="list-style-type: none"> - Proof of concept across a sizeable number of venues - How is this POC established? - What happens? - What are the commercial arrangements? - What is the target? - How are we running different control groups to test outcomes? - How do we manage TAH/SKY response in this period? <p>Phase 2:</p> <ul style="list-style-type: none"> - What happens to Phase 1 venues? - Who to target next? <p>Full network wide solution</p> <ul style="list-style-type: none"> - What does this look like?
3. People	<p>Key people to work on project</p> <p>Level of resources committed</p> <p>Experience</p> <p>Approach</p>
4. Governance	<p>What has and has not worked in the past?</p> <p>What level of governance is required?</p>

Support Material

To support this process ClubsNSW will:

1. Facilitate access to Managers of key clubs to help Wagering Operators build knowledge on the current data systems and capacity of clubs;
2. Build a package of commercially sensitive information that will assist wagering operators in assessing potential value
 - a. Across a sample of clubs
 - b. Active member data
 - i. Number of active members
 - ii. Profile of active members
 - c. Wagering turnover
 - i. Existing volumes of wagering activity across venues
 - d. Legal clarification of boundary constraints
 - i. NSW State Retail Wagering legislation
 - ii. Tabcorp TAB outlet agreements
 - iii. Tabcorp SKY channel agreements

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-2" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-2**

ClubsNSW circular to members dated 7 February 2017

Filed on behalf of (name & role of party)	CrownBet Pty Ltd (Intervener)
Prepared by (name of person/lawyer)	Geoff Carter
Law firm (if applicable)	MinterEllison
Tel (03) 8608 2000	Fax (03) 8608 1000
Email geoff.carter@minterellison.com	
Address for service	Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

Subject **CLUBSNSW JOINS FORCES WITH CROWNBET FOR DIGITAL WAGERING**

Circular No

Date **7 February 2017**

Appropriate for ☒ Directors ☒ CEO ☒ Gaming Mgr ☐ Entertainment Mgr
☐ HR Mgr ☒ Marketing Mgr ☒ Food and Beverage Mgr

ClubsNSW is pleased to advise it has appointed CrownBet as its Official Digital Wagering Partner. This is the first step in the ClubsNSW review of the industry's digital footprint, designed to increase clubs' digital engagement with their members.

The way customers are choosing to bet is increasingly shifting to digital devices (smart phones and tablets). Clubs currently lack a digital offer for their members and therefore receive no commission on digital bets placed in-venue or by club members outside the venue. As a result clubs miss out on the revenue as well as access to the next generation of wagering customers.

ClubsNSW has selected a digital wagering partner that will not only offer digital commission to clubs, for bets wagered both inside and outside the club, but also offer a range of value-added services that will help encourage patrons to visit clubs more often. The decision will improve the current offering and generate an incremental financial benefit as well as ensuring that the club wagering offer remains relevant and an important part of the overall product offer.

CrownBet was selected via a comprehensive select tender process that included Tabcorp. The CrownBet proposal was superior in all respects including total financial returns, marketing and capital investment and value-add services to drive customer engagement such as loyalty rewards and daily fantasy sports.

The CrownBet offer does not prohibit a club from maintaining an existing TAB retail wagering facility, however in those circumstances the current contract with Tabcorp will need to be replaced with a new agreement that removes the restrictions on clubs promoting alternate digital wagering services.

ClubsNSW recommends CrownBet to clubs as its exclusive provider of digital wagering services.

For more information read the attached factsheet or visit the dedicated page on the ClubsNSW website [here](#).

To register your interest with CrownBet visit www.crownbet.club and complete the registration form.

Should you have any questions please contact the ClubsNSW Member Enquiries Centre on 1300 730 001.

Anthony Ball
Chief Executive Officer

Frequently Asked Questions

What is this decision about?

It has become apparent that most clubs lose money on their existing TAB facility, especially when labour costs are taken into account. In addition, the way customers are choosing to bet is increasingly shifting to digital devices (smart phones and tablets). This means the profitability of the existing TAB facilities will worsen over time without a viable digital wagering offer. Currently clubs receive no commission on digital bets placed in-venue or by club members outside the venue, and as a result clubs miss out on the revenue as well as contact with the next generation of wagering customers.

ClubsNSW sought to establish a digital wagering partnership that will not only offer digital commission to clubs, for bets wagered both inside and outside the club, but also offer a range of value-added services that would help encourage wagering customers to visit clubs more often. The decision will improve the current offering and generate an incremental financial benefit as well as ensuring that the club wagering offer remains relevant and an important part of the overall product offer.

How did ClubsNSW arrive at this decision?

ClubsNSW conducted a detailed review of digital wagering with the assistance of the Gaming Advisory Committee and a number of selected club CEOs. Research was conducted into the club wagering environment and a survey was conducted among wagering patrons at clubs to see which services they valued. A closed tender was issued to four companies to become the exclusive digital wagering partner of ClubsNSW.

The review process considered the financial, regulatory, competition and other impacts of each possible partnership. ClubsNSW received a number of legal opinions and is strongly of the view that each element of the offer being put forward is legal.

It is a matter for each club to decide for itself whether or not to adopt CrownBet or another company as their digital wagering partner but, after a long and detailed investigation, CrownBet is recommended by ClubsNSW as providing the best digital wagering offer and best suite of value-added products.

Why CrownBet?

CrownBet was chosen because it offered the best overall value for clubs. They will provide:

- Commission rate of 30% of net profit for every bet placed through the app in-venue and 30% of net profit for bets made out of venue by people who the club signed up to the app;
- Financing of the up-front capital investment for clubs;
- Estimated total spend of \$130 million in direct club-channel marketing over the term of the agreement;
- Class leading loyalty program with proven results in driving venue visitation;
- Daily fantasy sports platform (Draftstars); and
- eSports opportunities.

How will CrownBet invest in my club?

This arrangement will drive club visitation and business by:

- Providing double loyalty points earned for every bet while on club premises;
- Providing mobile phone charging stations and up to 50 percent of the club's wifi cost;
- Promoting the club through app personalisation; with the app changing from CrownBet to the club's own logo when opened in venue;
- Leveraging new services which clubs can take advantage of, including:
 - o a 'rake' on daily fantasy sports activity in venue;

CIRCULAR SERVICE SUPPORTED BY

ARISTOCRAT

The Registered Clubs Association of New South Wales
ABN 61 724 302 100
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P 02 9268 3000 F 02 9268 3066
Member Enquiries 1300 730 001
www.clubsnsw.com.au

- support for club marketing through push notifications and database enhancement; and
- Increase flow-on spend to other club areas like food and beverage by allowing CrownBet rewards to be redeemed in the club, paid for by CrownBet.

What about the TAB, Sky Racing and existing wagering facilities?

Tabcorp has advised they wish to retain their cash betting facilities and EBTs in clubs, operating alongside CrownBet's digital offer. Sky Racing can also continue to be purchased from Tabcorp. It is a matter for each club to negotiate its cash-based commission, Sky Racing and other costs with Tabcorp.

Why didn't ClubsNSW create a club branded digital wagering offer?

This was investigated but creating a new brand is expensive and risky. It would have made starting a club-specific digital wagering company uncompetitive and clubs would have missed out on the value-added opportunities offered by CrownBet including loyalty, fantasy sports and CRM.

Instead a co-branded option has been agreed upon with CrownBet which will help leverage the multi-million dollar annual club marketing spend by CrownBet, whilst simultaneously promoting club brands.

How do I take up the offer from CrownBet?

Clubs can register their interest in the CrownBet by visiting www.crownbet.club and completing a registration form.

A CrownBet representative will call the club and step them through the offer and provide them with a copy of the Venue Agreement and a Venue Starter Pack outlining the offer in detail. A summary of the Venue Agreement is also available on the ClubsNSW website.

Clubs that wish to take up the offer from CrownBet that have a TAB retail facility must give written notice to Tabcorp to end the TAB Distribution Services Agreement. The notice period required to end the Agreement varies from one month up to three years. The club may then sign an Agreement with CrownBet.

Clubs that offer CrownBet to their members have the option to retain the TAB cash betting facilities (under a new, non-exclusive TAB Agency Deed) and/or Sky Racing, at their discretion.

Examples of all the relevant documents, including how to give notice to Tabcorp, a summary of the CrownBet offer including obligations on the club, and a copy of the agreement to sign with CrownBet can be found on the ClubsNSW website or the CrownBet online portal.

What is the benefit in being an early adopter of the CrownBet agreement?

Only the club that signs up a person to the CrownBet app will be eligible for commissions on that person's bets made outside of the club. That means if your club signs up the new customer, your club will earn commission on all of their bets (unless the bets are made within other clubs, in which case that club receives the commission) for the life of the customer – so long as your club continues its agreement with CrownBet.

Should you have any questions please contact the ClubsNSW Member Enquiries Centre on 1300 730 001 or CrownBet on 1800 231 123

CIRCULAR SERVICE SUPPORTED BY

ARISTOCRAT

The Registered Clubs Association of New South Wales
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IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-3" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-3**

Letter from Tabcorp to ClubsNSW members dated 7
February 2017

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

Geoff Carter

Law firm (if applicable)

MinterEllison

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ME_137641120_1

7 February, 2017

To: NSW Clubs Chief Executive Officers
NSW Clubs General Managers
NSW Clubs Secretary Managers

Good Evening,

Tabcorp: Launch of Digital Commissions for Clubs and new Wagering proposal

In mid-November, Tabcorp launched Digital Commissions into the Hotel and Agency channels within New South Wales, though respected the ClubsNSW process and refrained from launching in Clubs venues.

With that process now complete, we are pleased to inform you that Tabcorp is today launching our venue digital commission model for all 732 Club TAB venues. This means NSW Club TAB venues will now earn the full retail commission from digital bets placed in your venue from the 485,000 TAB account holders in NSW. Additionally, we are rewarding venues for digital out of venue turnover for newly acquired customers.

Tabcorp recently submitted a new wagering proposal to ClubsNSW as part of its Digital Wagering Partner review. Whilst that proposal was ultimately not accepted by ClubsNSW, Tabcorp will make key aspects of the proposal available for individual Clubs, commencing with the launch of digital commissions today. This will create better experiences for your customers, increased efficiencies and increased revenues for your Club.

Tabcorp understands that today, ClubsNSW has appointed CrownBet as its Official Digital Wagering Partner. Tabcorp also understands that ClubsNSW has written to all clubs in the ClubsNSW network to say that those clubs now have the option of engaging CrownBet to provide them with exclusive "digital wagering services" and to provide clubs with a template letter to use if they decide to terminate their existing licensed venue agreements with Tabcorp (LV Agreement) with a view to negotiating a non-exclusive arrangement with us. It is important to ensure you have all the information to assess this (or any other) proposal.

To ensure that there is no misunderstanding, we wish to clarify that Tabcorp has not confirmed to ClubsNSW that its "retail" wagering service will be available to operate alongside CrownBet's "digital" wagering service.

Tabcorp's position is that:

- it is the sole wagering provider that is entitled to provide gambling services (including digital wagering) off-course in New South Wales, by virtue of its wagering licence and New South Wales wagering legislation;
- this entitlement is important to Tabcorp and to the stakeholders that rely on it; and
- Tabcorp is reviewing the proposed CrownBet service and considering options, including whether the combination of features that comprise that service cause CrownBet (or would cause the owner or occupier of a New South Wales venue facilitating that service) to contravene various sections of the Unlawful Gambling Act. We note that ss31 of that Act prohibits an owner or occupier of a premises from knowingly allowing the premises to be used for, or in connection with, bookmaking carried on by or on behalf of a person who is not a licensed bookmaker. Tabcorp's strong understanding is that CrownBet is not a licensed bookmaker for the purposes of the UGA.

We encourage you to evaluate the CrownBet proposal in light of the legal risks as well as Tabcorp's commercial offering.

Tabcorp continues to be the clear market leader in both NSW and Australia and is the only wagering operator that can deliver your customers the benefits of both cash, digital and live in-play betting within your venue.

Tabcorp's partnership with all Clubs is longstanding and we look forward to it continuing.

Our Team will arrange time to meet with you to discuss our retail offer (including digital commission model) in more detail. We thank you for your ongoing support.

Kind regards,

A handwritten signature in black ink, appearing to read 'D. Attenborough', written over a large, stylized circular mark.

 David Attenborough
Managing Director & Chief Executive Officer

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-4" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-4**

ClubsNSW circular to members dated 8 February 2017

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

Geoff Carter

Law firm (if applicable)

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ME_137641120_1

Subject **CROWNBET OFFER – LEGAL RISKS**

CircularNo **17-018**

Date **8 February 2017**

Appropriate for ☒ Directors ☒ CEO ☒ Gaming Mgr ☐ Entertainment Mgr
☐ HR Mgr ☒ Marketing Mgr ☒ Food and Beverage Mgr

It is understood many clubs received a letter from Tabcorp in relation to the ClubsNSW digital wagering partnership with CrownBet suggesting that it entails certain legal risks for clubs. ClubsNSW rejects these claims.

ClubsNSW has taken extensive legal advice and formed the view that the CrownBet offering, either as a standalone offer or in co-existence with a TAB is compliant with New South Wales law. In our opinion, the only impediment to clubs participating in the CrownBet offering are the exclusivity provisions contained within the current TAB Agreement between clubs and Tabcorp.

Clubs should be aware that the law in New South Wales expressly permits digital wagering with wagering operators licensed in any Australian State or Territory. The *Betting and Racing Act 1998 (NSW)* permits CrownBet to both offer and advertise digital wagering services within NSW and specifically within clubs. Advice received by ClubsNSW confirms that there are no legislative provisions that would prevent a club from promoting such a service, in accordance with the regulations.

Importantly, consistent with our approach to any new product or service, ClubsNSW has already and will continue to engage with Liquor & Gaming NSW as well as the NSW Government to ensure that there are no regulatory concerns with any of the elements of the CrownBet offer. The NSW Government, not Tabcorp, is responsible for enforcing the relevant legislation.

Should you have any questions please contact the ClubsNSW Member Enquiries Centre on 1300 730 001.

Anthony Ball
Chief Executive Officer

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-5" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-5**

Letter from Tabcorp to ClubsNSW members dated 14
February 2017

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

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Address for service Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

ME_137641120_1

Tuesday 14 February, 2017

To: NSW Clubs Chief Executive Officers
NSW Clubs General Managers
NSW Clubs Secretary Managers

Good Morning,

Update on new Tabcorp Wagering proposal

We acknowledge that last week was a busy week for clubs absorbing information regarding a proposed alternative wagering offer. In the coming week, we will seek to arrange a meeting, at a time convenient for you, to present Tabcorp's new wagering proposal.

Our wagering proposal is compelling and will ultimately drive the best outcomes for all clubs and importantly, all club members.

The new digital commission model headlines our proposal for clubs that are exclusive to Tabcorp and enables you to earn commission from the current 485,000 TAB account holders in NSW and all future account holders. With the launch of TAB's digital commission model in NSW clubs, club venues will now earn commission from the circa \$10m of digital turnover recorded in club venues since 1st November 2016.

Tabcorp will facilitate a digital commission back payment to all club venues (delayed out of respect for the ClubsNSW tender process), and will make available the benefits outlined below by 31st March 2017.

Consistent with our licensed venue distribution services agreement these benefits are premised on a continued exclusive relationship with Tabcorp.

Our new deal will provide clubs and their members with:

- a unique wagering offer that incorporates and rewards venues for all betting in venue including cash and digital betting;
- a capital expenditure program to enhance your venue experience, without any associated recharge;
- a reduction in equipment rentals to drive operational savings;
- continued investment in initiatives that drive productivity and enhance the customer experience (such as TAB form);
- marketing, loyalty and CRM investment to drive visitation and personalised customer engagement;
- an offer that is not subject to performance hurdles;
- no requirement to enter into a long-term new agreement and no exposure to customer win rates, racing product fees or new gambling taxes; and
- no requirement for clubs to provide access to membership database

The above is not exhaustive and, later this week, we will be providing you with a brief video outlining our offer in more detail.

As communicated last week, Tabcorp has not confirmed to ClubsNSW that its "retail" wagering service will be available to operate alongside CrownBet's "digital" wagering service. Tabcorp is in dialogue with ClubsNSW regarding the CrownBet offer. ClubsNSW remain a very important partner to Tabcorp and we will keep you updated as discussions continue with them.

Tabcorp's position is that it is the only entity that is authorised under NSW wagering legislation to provide wagering services off-course in NSW (including in registered clubs). We believe that the CrownBet Arrangement constitutes a form of off-course wagering service and that it is therefore unlawful.

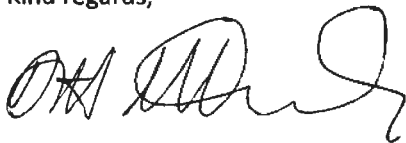
Tabcorp intends to work with Liquor & Gaming NSW to preserve and enforce the existing legislative framework. Consistent with this, Tabcorp is not prepared to negotiate with venues on a non-exclusive basis in a manner that would give credence to what we consider to be a business model that contravenes the legislative framework.

TAB has been part of the NSW community for more than 50 years. Unlike other wagering operators, we also return hundreds of millions of dollars to the NSW racing industry and NSW Government each year.

Tabcorp is also proud of its partnership with clubs such as yours, which in many cases extends from wagering to include Keno and other services. We thank you for your ongoing support. We are extremely keen to extend our longstanding relationship with you.

Please feel free to contact Sean Scott, Jade Clark or your BDM with any questions.

Kind regards,



DAVID ATTENBOROUGH

Managing Director & Chief Executive Officer

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-6" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure NK-6

ClubsNSW circular to members dated 15 February 2017

Filed on behalf of (name & role of party)	CrownBet Pty Ltd (Intervener)
Prepared by (name of person/lawyer)	Geoff Carter
Law firm (if applicable)	MinterEllison
Tel (03) 8608 2000	Fax (03) 8608 1000
Email geoff.carter@minterellison.com	
Address for service	Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

ME_137641120_1

Dear (insert CEO name here),

There has certainly been a lot of activity since we announced our digital wagering partnership with CrownBet a week ago. There has been extensive media coverage of the deal, as well as two recent letters from Tabcorp to club CEOs – all of which has no doubt left you with some questions.

I wanted to write to you today to address those questions.

As you know, we have been working through an analysis of the club digital footprint for about a year now and our digital wagering partnership is the first output.

The decision followed an extensive wagering review and tender process involving CrownBet, Tabcorp, Sportsbet.com.au and Betting.Club. We determined that CrownBet offered the best deal for both our member clubs and their members, ensuring a fair return on club wagering operations and a better deal for punters.

The tender process was fair to all parties and we assessed the tenders on their merits. All four companies participated fully and at no stage did they voice concern that the digital offering requested by ClubsNSW would be illegal if they were to deliver it.

CrownBet won the tender because:

- We believe Member Clubs will make more money;
- The offer will increase visitation to Member Clubs, driven by a loyalty programme that will be fully integrated on Day 1, allowing punters to redeem for food and drinks;
- No upfront or on-going costs for Member Clubs;

As you would know, Tabcorp has sent two letters to clubs in recent days, questioning the legality of the digital wagering partnership and threatening to pull its cash wagering facilities out of any club that signs up with CrownBet (while at the same time pushing their own digital offering).

These letters from Tabcorp are threatening and at odds with the public comments of its CEO, David Attenborough who recently said:

"...at the moment all operators can offer digital in venues, any customer standing there on average if they've got an account, they've got 3 accounts, they've got a TAB account and 2 corporate bookmaker accounts, so digital in venue is being offered by all our competitors, and it's a highly competitive market..."¹

Now, after being unsuccessful in the tender process, it seems they have changed their mind.

There has been some concern raised about the terminals associated with the CrownBet offer. The design and exact functionality of these is still under consideration, and they will be made available to clubs only after taking the best legal advice on the final design and gaining the authorisation of the NSW regulator.

Contrary to recent coverage of this issue, I can confirm that no equipment or device will be installed at Member Clubs which accepts or otherwise provides a facility for the placing of bets.

¹ Tabcorp Half Year Results to 31 December 2016 Webcast, 2 February 2017, <http://edge.media-server.com/m/p/hsvc7hus>

Nevertheless, consistent with our approach to any new product or service, ClubsNSW has already and will continue to engage with Liquor & Gaming NSW as well as the NSW Government to ensure that there are no regulatory concerns with any of the elements of the CrownBet offer.

I have offered to meet with the Tabcorp CEO to discuss the specific concerns he might have with the CrownBet offer, he has rejected that offer, despite claiming to be in dialogue with ClubsNSW. I will continue to extend that offer and discuss this matter for the benefit of our clubs.

Please don't hesitate to contact me if you have any questions on this.

Regards

Anthony Ball

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-7" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-7**

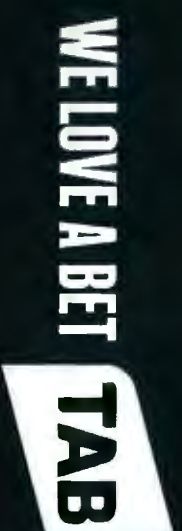
Tabcorp presentation to ClubsNSW members (February 2017)

Filed on behalf of (name & role of party)	CrownBet Pty Ltd (Intervener)
Prepared by (name of person/lawyer)	Geoff Carter
Law firm (if applicable)	MinterEllison
Tel (03) 8608 2000	Fax (03) 8608 1000
Email geoff.carter@minterellison.com	
Address for service	Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

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TABCORP WAGERING PROPOSAL PRESENTATION

FEBRUARY, 2017



TAB'S COMPELLING POINTS OF DIFFERENCE

Exclusive in-venue
wagering operator



TAB owns the exclusive retail wagering Licence issued by the NSW Government

TAB is the number 1 player
in the market



TAB is a clear leader in the NSW market with more than 1M customers

Cash remains
relevant



90% of all gambling spend in Australia is with cash

Australian owned,
community focussed



TAB has strong alignment with NSW state government, community partners and racing

Only TAB can deliver cash betting
to NSW Clubs



TAB is the only operator that can facilitate cash, self service, Trackside and digital betting

Only TAB can deliver valuable
retail & digital customers



Multi-channel customers deliver 8x more value than digital only customers

SKY broadcasts more
than 120,000 races per year



Sky is an integral part of the wagering customer experience that drives customer visitation to NSW Clubs

Tabcorp is a leader
in responsible gambling



Globally recognised in Responsible Gambling by the Dow Jones Sustainability Index

Source: FY15 Australian Gambling Statistics; Tabcorp management information; Tabcorp Data & analytics

TABCORP AND CLUBS IN NSW HAVE HAD A STRONG PARTNERSHIP SINCE 1984

732

TAB has a direct relationship with 732 individual Clubs

No.1

Together with Clubs in NSW, TAB has maintained its market leadership

57m

Customers in NSW Clubs enjoyed the TAB betting experience on 57m occasions in FY16

\$23m

Over the last 5 years TAB has invested \$11m in Clubs with a commitment to invest \$12m** over the next five years

750,000

Reflects the number of TAB cash deposits and withdrawals that occur in Clubs annually

60%

A recent study indicated that 60% of customers would visit Clubs less often if the TAB were removed*



Tabcorp & ClubsNSW have been joint operators of Keno since 1991 across 960 Clubs with licence expiry in 2050



TGS and Intecq have a combined presence across 550 Clubs and 45,000 EGMs

Source: Tabcorp management information

* See Case study example presented as an appendix in this document

** Assumes take up from all 732 current Clubs

TAB IS THE ONLY OPERATOR THAT CAN DELIVER RETAIL AND DIGITAL BETTING TO CLUBS IN NSW

ONLY TAB CAN DELIVER VALUABLE
RETAIL & DIGITAL CUSTOMERS



Multi-channel customers deliver
8x more value than digital only
customers



Source: Tabcorp management information

WE LOVE A BET **TAB**

THE KEY COMPONENTS UNDERPINNING OUR PARTNERSHIP PROPOSAL

GROWTH

- Partnership exclusivity rebate (\$6k per annum)
- In-venue digital commissions at 100% of the cash commission rate for all current & new account customers**
- Out of venue digital commissions for newly acquired customers at 100% of the cash commission rate**
- Matched deposit bonus for newly acquired customers up to \$100 + 25,000 TAB Rewards points
- \$30 uncapped customer acquisition fee
- Committed Club channel and local area marketing spend

PRODUCTIVITY

- TAB digital form, reducing labour costs for venues
- Flexible venue standards
- Cash redemption terminal to facilitate payouts*
- No equipment rental costs other than EBTs
- Additional EBTs

CUSTOMER EXPERIENCE

- TAB Rewards transformation to facilitate redemption in-venue
- A new CRM platform to drive greater personalisation and engagement

* Subject to regulatory approval

** Subject to business rules

TAB HAS CHANGED THE GAME WITH ITS NEW DIGITAL COMMISSION MODEL

TAB's Digital model is now live in NSW Clubs

①

WHY?



- To reward you for putting on the show, irrespective of how a customer bets.
- Digital technology allows customers to put a bet on anytime, instantly.

②

WHAT?



- Earn a commission on any digital bet placed in your venue via the TAB App.
- When you acquire a new customer, you'll earn a commission on bets placed outside of a TAB venue, even when your venue is closed.

③

HOW?



- The TAB App includes geo-location functionality. This means the App knows where you are, when you sign up on device, or place a bet, and applies the commission accordingly.
- The new model is governed by business rules - a copy will be provided to you post meeting.
- Payment for digital commissions will occur monthly and will be supported by reporting.

④

NEXT STEPS



- Nothing except stay exclusive to TAB.
- No long term agreement required
- No hardware, no beacons, no additional costs or WiFi required.

WE LOVE A BET **TAB**

DIGITAL COMMISSION PROCESS FLOW – IN VENUE DIGITAL COMMISSIONS

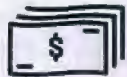
When one of the 485,000 NSW TAB account holders and future TAB account holders bet in your venue via the TAB App



TAB account holder bets in your venue via the TAB App



Geo-location technology identifies that the TAB account holder is betting in your Club



Commission is paid at the cash commission rate, is paid monthly and is accompanied by detailed reporting

BENEFITS OF TAB SOLUTION

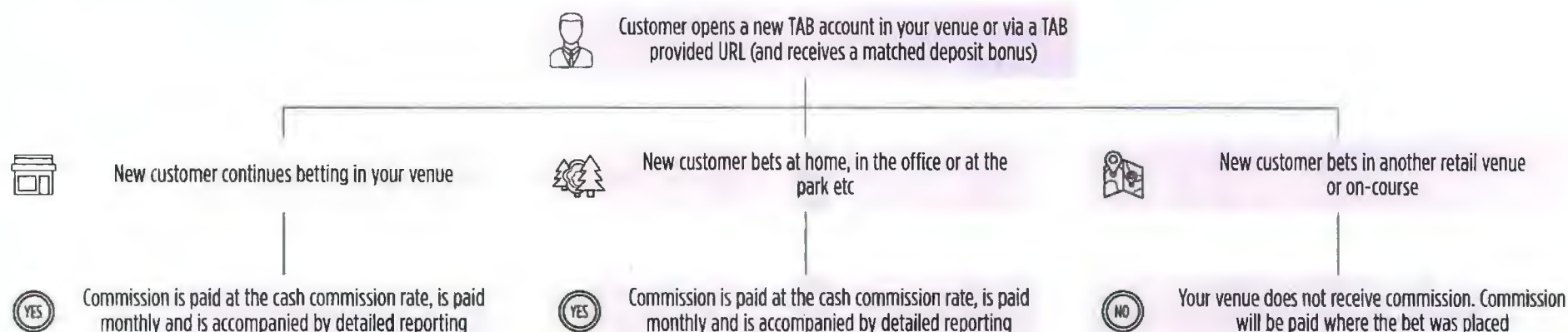
- TAB's Digital model is live in NSW Clubs now
- Rewarding venues for putting on the show, irrespective of how a customer bets
- No Bluetooth, beacons or hardware required
- No exposure to customer win rate
- No exposure to product fees or gambling taxes
- Paid on all transactions made via the TAB App in your venue
- Commissions paid monthly
- No requirement to amend your TAB agreement



WE LOVE A BET **TAB**

DIGITAL COMMISSION PROCESS FLOW - OUT OF VENUE DIGITAL COMMISSIONS

When a customer within your venue opens a new TAB account via their smart phone device



The benefits listed on the previous page also apply to out of venue commissions
A video outlining the digital commission model will be provided to you post this meeting



DIGITAL COMMISSIONS IN NEW SOUTH WALES

We have been tracking digital activity in New South Wales since 26 October, 2016. Early results highlight the potential value this initiative brings to Clubs in NSW.

Registered NSW TAB accounts

485,000

You will earn commission when they, and any new TAB customers bet in your venue

Digital turnover in Retail (26 Oct - 8 Feb)

\$28.4m

Representing 3.9% of total retail turnover from 1.3 million digital bets

New account customers acquired (26 Oct - 8 Feb)

2,628


Compared to less than 200 for the corresponding prior year period

Out of venue digital turnover from newly acquired customers (26 Oct - 8 Feb)

\$2.3m

Please note: from 26 October, 2016 to 8 February, 2017

HOW TAB'S COMMISSION MODEL COMPARES TO CORPORATE BOOKMAKER AFFILIATE MODELS

	WE LOVE A BET 	CROWNBET
	TURNOVER MODEL	NET REVENUE MODEL
AMOUNT WAGERED BY CUSTOMER (TURNOVER)	\$100	\$100
AMOUNT RETURNED TO PLAYER	NO EXPOSURE	\$88.94
SUB TOTAL	\$100	\$11.06
PRODUCT FEES, TAXES, CAPITAL CHARGE AND ABOVE & BELOW THE LINE MARKETING*	NO EXPOSURE	\$5.72
NET WAGERING TURNOVER	\$100	\$5.34
VARIABLE COMMISSION RATE**	1.01%	30.0%
COMMISSION PAID TO VENUE	\$1.81	\$1.60

The above is illustrative only. Clubs are encouraged to conduct their own analysis.

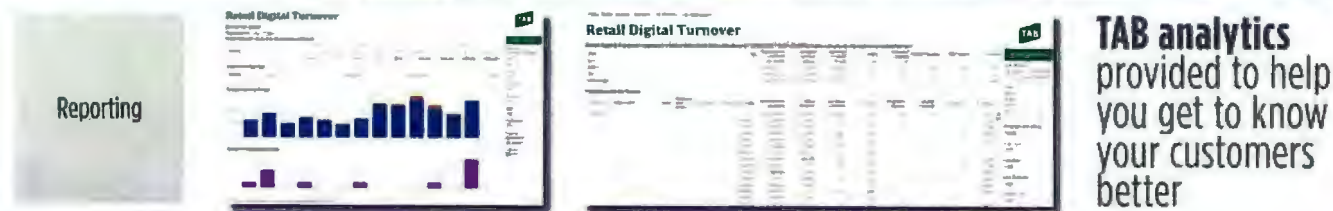
Source: Crownbet / ClubsNSW Individual Licensed Venue Agreement - Summary of Key Terms and Conditions. Document sourced from www.clubsnsw.com.au on 21 February, 2017

* Excludes EBT rental charges

** Excludes TAB Fixed Management Fee and is a representation of a blended percentage of the current Licensed Venue Standards

*** Please contact your Business Development Manager for a detailed P/L for your venue

TAB REWARDS TRANSFORMATION JOURNEY



Platform for Growth

- ✓ New rewards program will leverage existing partnerships including; Fox Sports, News Limited, ANZ Stadium, Racing NSW, ATC, GRNSW, HRNSW & UFC
- ✓ Loyalty as an account feature
- ✓ Increased value and privileges
- ✓ Simplification
- ✓ Integrated for customers
- ✓ Real time points (earn & redemption)

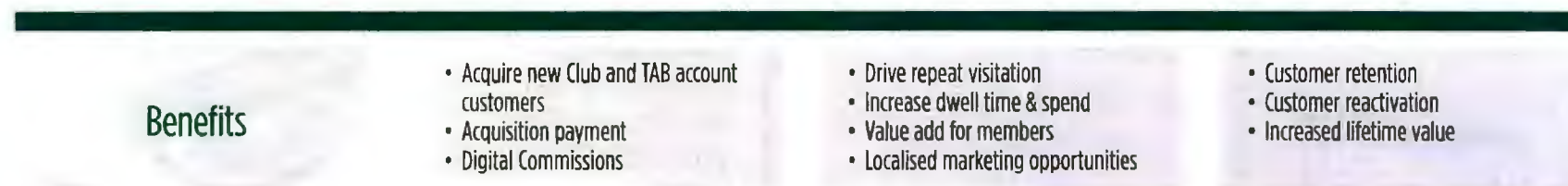


A NEW TAB CRM PLATFORM TO DRIVE GREATER PERSONALISATION AND ENGAGEMENT



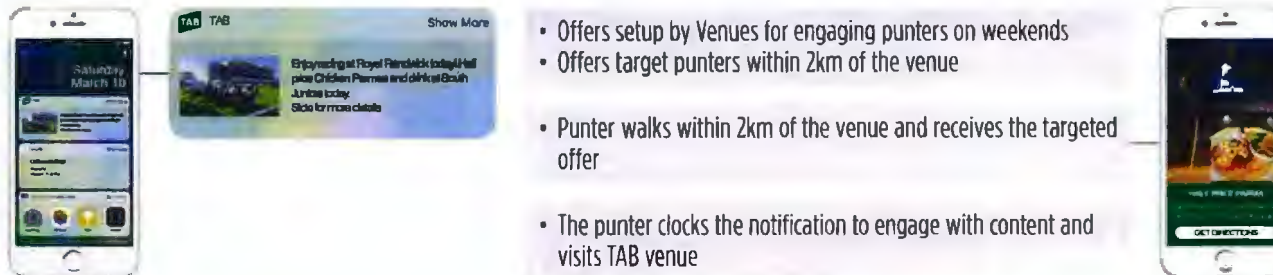
Reporting / understanding

Customised venue dashboard to monitor: acquisition, retention, customer spend, churn, satisfaction, promotional performance & venue commissions



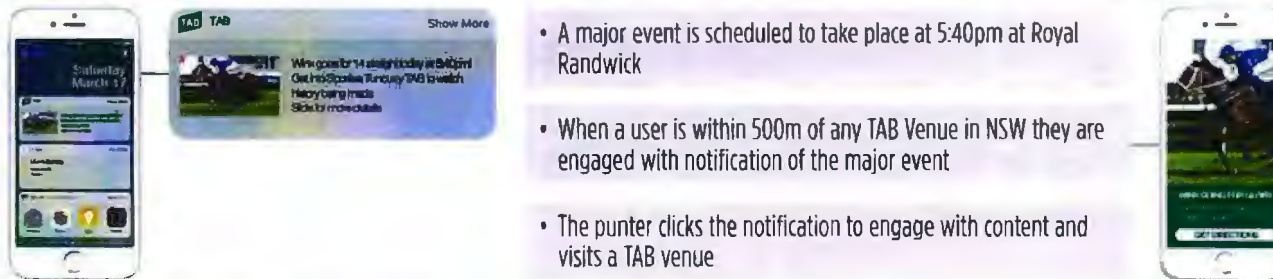
EXAMPLES OF LOCATION BASED ENGAGEMENT

Attract punters to nearby TAB venues with localised offers



- Offers setup by Venues for engaging punters on weekends
- Offers target punters within 2km of the venue
- Punter walks within 2km of the venue and receives the targeted offer
- The punter clicks the notification to engage with content and visits TAB venue

Attract punters to TAB venues during major events



- A major event is scheduled to take place at 5:40pm at Royal Randwick
- When a user is within 500m of any TAB Venue in NSW they are engaged with notification of the major event
- The punter clicks the notification to engage with content and visits a TAB venue

Venues upload and manage their own location based offers

Speedy approval process with pre-defined targeting and priority for TAB to review and publish venue offers

Platform can be extended to collect audience data & share them with venues as in-store analytics enabling them to better understand their customers



YOUR NEW COMMERCIAL PROPOSITION

CLUBS EXCLUSIVE AGREEMENT	
Term	• Term per existing arrangements, 60 day exit with no long term contract
Partnership exclusivity rebate	• \$6,000 per annum
Digital commissions	• In-venue and out of venue commission at cash rate. No exposure to customer win rate, racing product fees or new wagering taxes
Acquisition fee	• \$30 for each new account (uncapped)
Matched deposit bonus	• For every new customer up to \$100 + 25,000 TAB Rewards points
Access to capital	• \$2.4m per annum (\$12m over 5 years)*
Equipment rental	• EBT rent will remain (\$95/\$70). No other rental costs apply (kiosks revert to EBT rate)
LV standards	• Reduced standards in line with appendix 1
Variable commission rate	• No change. No exposure to customer win rate, racing product fees or new wagering taxes
Fixed management fee	• No change, as per your venue standards
Access to local store marketing	• \$600,000 per year*
TAB Training	• Free of charge including TAB Basics, AML & CTF
SKY subscription	• Full SKY fee
Performance hurdles	• Not applicable

* Assumes take up from all 732 current Clubs with allocation to be on a pro-rated basis and by application



PROPOSED
TERMS IN MORE
DETAIL

COMMERCIAL IN CONFIDENCE

WE LOVE A BET **TAB**

PROPOSED TERMS

Per existing agreement proposal is provided on the basis of full wagering exclusivity with your Club

ITEM	PROPOSED TERMS
Term	<ul style="list-style-type: none"> Term per existing agreement, 60 day exit with no long term contract.
Exclusivity	<ul style="list-style-type: none"> This proposal is provided on the basis of full wagering partner exclusivity.
Retail Wagering Offer	<p>Capital Investment Fund.</p> <ul style="list-style-type: none"> Tabcorp will commit \$12 million* over the next 5 years to Clubs in NSW. Your Club will be able to access this fund by application to your BDM and approval of successful business case. Capital spend is not repayable to Tabcorp. <p>Equipment rentals</p> <ul style="list-style-type: none"> EBT rental charges will remain in line with the existing rate (\$95 per week for the first EBT; \$70 per week for every subsequent EBT). No other rental costs apply (Kiosks will revert to EBT rental charges). <p>Commission rate</p> <ul style="list-style-type: none"> There is no proposed change to the existing commission rate card inclusive of fixed management fees All venues will receive in-venue and out of venue digital commissions

* Assumes take up from all 732 current Clubs with allocation to be on a pro-rated basis, by application and documented under a separate agreement

PROPOSED TERMS

ITEM	PROPOSED TERMS FOR CONSIDERATION
Retail Wagering Offer	<p>Flexible venue standards</p> <ul style="list-style-type: none"> • Tabcorp has significantly reduced its venue standards, including point of sale requirements. Venues will have full flexibility to tailor the TAB experience to meet their customers' needs, with no minimum floor space requirements. <p>TAB Rewards integration to Clubs loyalty program</p> <ul style="list-style-type: none"> • TAB will enable in-venue redemption of food & beverage & other via TAB App by December, 2017. <p>Partnership rebate</p> <ul style="list-style-type: none"> • Tabcorp will provide your Club with a partnership rebate of \$6,000 per annum. • Your Club will be eligible for an uncapped acquisition fee of \$30 for every new customer. <p>In venue digital commissions</p> <ul style="list-style-type: none"> • To be paid at the cash commission rate on all digital bets placed in venue, including by existing TAB account holders. • Subject to the business rules. • Backdated to 26 October 2016. <p>Out of venue commissions</p> <ul style="list-style-type: none"> • To be paid at the cash commission rate on all bets placed outside of the retail and on-course environments. • Applicable on turnover from newly acquired customers within Clubs for the life of the customer. Not applicable on turnover from existing TAB account holders. • Subject to the business rules.

* Fee is payable once customer has placed their first bet and has been ID verified

PROPOSED TERMS

ITEM	PROPOSED TERMS FOR CONSIDERATION
Retail Wagering Offer	<p>Matched deposit bonus</p> <ul style="list-style-type: none"> For every new customer acquired by your Club, TAB will provide the customer a matched deposit bonus. The offer will be capped at \$100 per customer* + 25,000 TAB Rewards points. <p>Dedicated local area marketing</p> <ul style="list-style-type: none"> Tabcorp will provide \$3 million, over 5 years, in committed marketing spend to promote the Club wagering channel within digital exclusive venues (i.e. those venues that have been provided with the partnership exclusivity fee).** Access to local area marketing is by application to your BDM and will be a key component of a mutually developed business plan. <p>CRM enablement</p> <ul style="list-style-type: none"> Tabcorp will utilise its CRM platform to drive visitation and greater customer engagement. Business intelligence and data science capability will be developed to enable your Club to further understand customer behaviours and motivations by October, 2017.
Cash Redemption Terminal	<ul style="list-style-type: none"> Subject to regulatory approval.
TAB Training & Accreditation	<ul style="list-style-type: none"> Access to AML & TAB Basics operator training provided free-of-charge.
SKY Channel Subscription	<ul style="list-style-type: none"> Payment per standard rate card

* Subject to no change in regulatory environment

** Assumes take up from all 752 current Clubs

APPENDIX 1

Venues have the flexibility to tailor the TAB experience to meet their customers' needs

Existing standard requirement	Old	Proposed	Simplified	Growth Incentives	Cost Reduction	Improved CX	B2B Advocacy
Digital commissions	Not applicable	Paid at cash rate	✓	✓		✓	✓
Wagering commissions	1.075% - 2.0% of turnover	No change proposed					
Trackside commissions	3.0% of turnover	No change proposed					
Trading hours	All nominated TAB races	Trading hours of Club (min. self service)	✓			✓	
TAB signage & external	1 x plaque & 1 x light box	External signage as agreed with Venue	✓				
Dedicated TAB area (floor space)	20sqm to 125sqm	No minimum requirement	✓		✓		✓
Race List Board	6m to 20m	No minimum requirement	✓		✓		✓
Television (racing, sport, text)	Racing – SKY 1 up to 2 x 100cm Racing – SKY 2 up to 2 x 80cm Text – up to 18 screens Sport – up to 100cm	Racing – minimum 1 screen for each of SKY1 & SKY 2 Trackside - minimum 1 screen Sport – minimum 1 screen	✓				✓
Sports betting	Both Sports Bet Unit and CIT required	No minimum requirement	✓				✓
Easy Bet terminals	Compulsory top tiers	No minimum requirement	✓		✓		✓
POS	Range of 4-8 dedicated POS posters displayed Internal lightboxes Brochure holders	Displayed format ePOS or Posters	✓	✓	✓	✓	✓
Form Guides (print/electronic)	Print – Yes all levels Electronic – Silver B and above (paid by venue)	Print – No minimum requirement E-Form – No minimum requirement	✓	✓	✓	✓	✓
Internet access (office & public space)	Office – yes. Public – Silver A and above	No minimum requirement	✓		✓		✓
Smoking solution	Silver C and above	No minimum requirement	✓		✓		✓

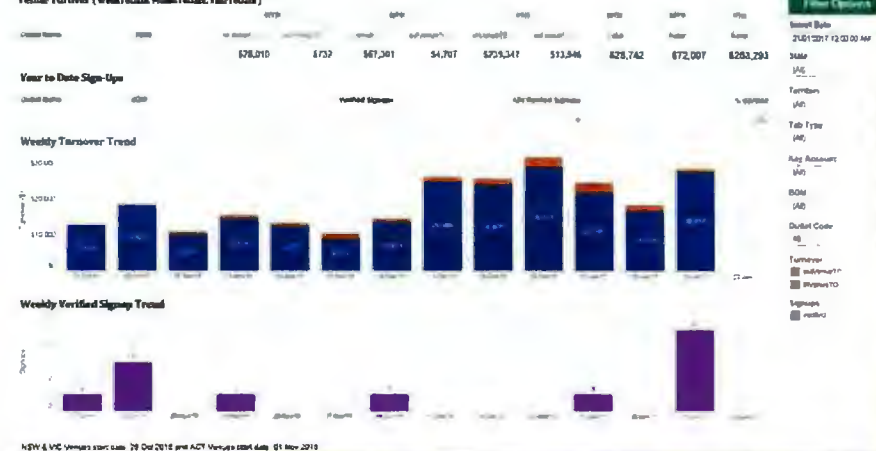
APPENDIX 2: DIGITAL COMMISSIONS - IMPORTANT INFORMATION

- To facilitate this exciting new initiative, the TAB Standards Guidelines have been amended pursuant to Clause 8.2 of your Licensed Venue Distribution Services Agreement
- Commencement date for New South Wales Clubs was 7 February 2017
- First payment will be made in March 2017, covering the period from 1 November, 2016 to the end of February, 2017
- Breakdown of reporting will show:
 - ✓ In-venue turnover & commission
 - ✓ Out of venue turnover & commission
 - ✓ Number of acquisition
 - ✓ Access to in-venue de-identified digital customer data

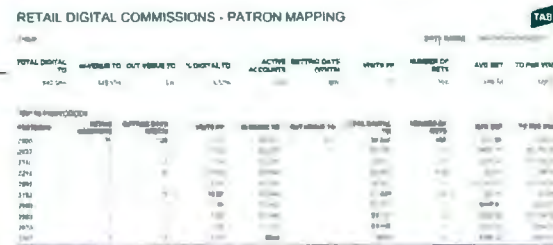
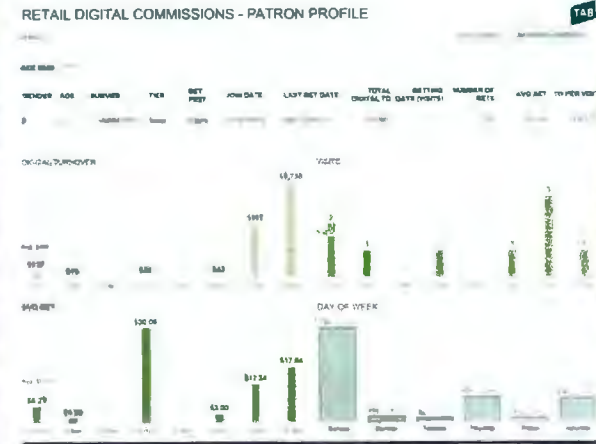
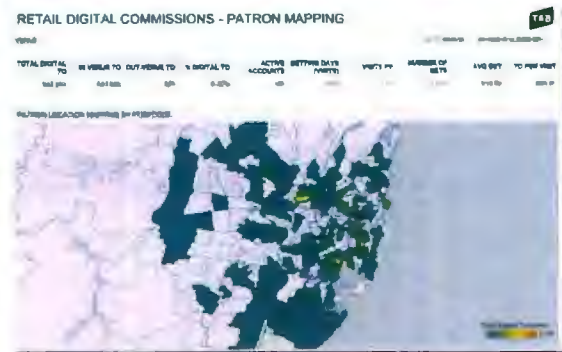
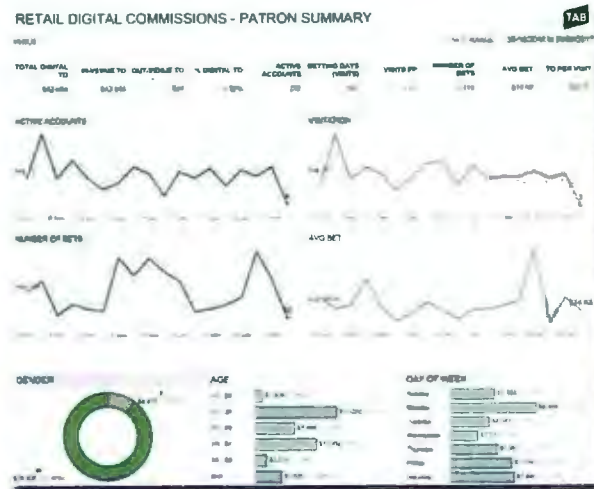
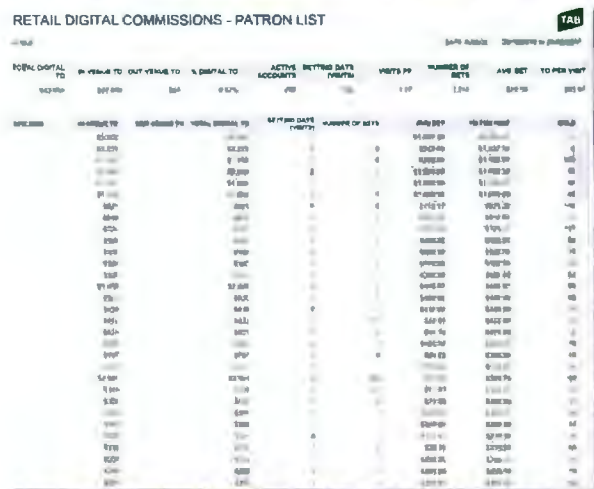
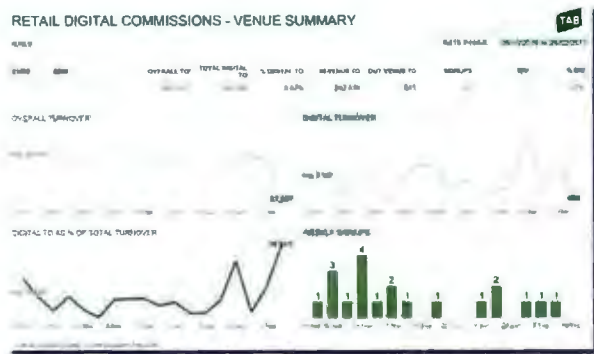
Retail Digital Turnover

Report for outlet:
Updated on: Sat 21 Jan 17

Venue Turnover (Week To Date, Month To Date, Year To Date)



APPENDIX 2: DIGITAL COMMISSIONS - EXAMPLE REPORTING



APPENDIX 2: DIGITAL COMMISSIONS - YOUR LEGAL OBLIGATIONS

DO NOT

- ✗ Encourage gambling beyond one's means
- ✗ Serve or sign up Minors
- ✗ Breach a customer's privacy
- ✗ Breach state laws around inducements
- ✗ Use any posters or other creative that is not provided by Tabcorp Head Office

DO

- ✓ Facilitate access to gambling support services
- ✓ Report all suspicious activity to the Service Support Centre
- ✓ Advise customer that they can set a pre-commitment limit to their deposits
- ✓ Comply at all time with Tabcorp's Responsible Gambling Code of Conduct
- ✓ If in doubt: consult, consult, consult!

APPENDIX 3: THE DEMONSTRATED VALUE A TAB OFFER BRINGS TO CLUBS

PARTICIPATING VENUES

Small Clubs	<ul style="list-style-type: none"> Auburn Tennis Club Carlingford Bowls Club
Medium Clubs	<ul style="list-style-type: none"> Club Marconi Cabramatta Golf Club Leichhardt Bowling Club
Large Clubs	<ul style="list-style-type: none"> Wenty Leagues Dee Why RSL St Johns Bowling West's Leumeah

APPROACH

- 650 customers were approached in and around the TAB area of which ~300 responded.

Fieldwork was completed between 6 April and 16 April 2016 (covering Wed, Thur, Fri, Sat) for a total of 14 hours per Club

Source: TAB research



INCREMENTAL SPEND

- circa 50% of TAB customer spend is throughout the venue
- TAB turnover has a strong impact on beverage sales with a moderate impact on food and bistro sales
- Customers who list TAB as a key visitation driver spend more money in venue



FOOT TRAFFIC/DWELL

- Customers who list TAB as a key visitation driver, spend more time overall in venue
- Watching sports and racing on TV is a popular social activity for those in and around the TAB area



IMPACT OF TAB REMOVAL

- TAB is the number one visitation driver for customers in and around the TAB area
- circa 60% would visit less often if the TAB were removed
- TAB is a strong contributor to the bottom line of Club operations

APPENDIX 4: BEST IN CLASS RETAIL & DIGITAL OFFERS TO ATTRACT AND RETAIN CUSTOMERS

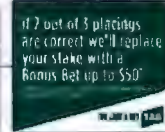
QUADDIE CASH OUT



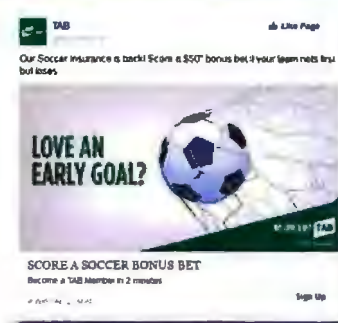
GROUP 1 INSURANCE



AUTUMN TRIFECTA OFFER



SCORE A SOCCER BONUS BET



IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-8" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-8**

Letters from Tabcorp to ClubsNSW members dated 24
February 2017

Filed on behalf of (name & role of party)	CrownBet Pty Ltd (Intervener)
Prepared by (name of person/lawyer)	Geoff Carter
Law firm (if applicable)	MinterEllison
Tel (03) 8608 2000	Fax (03) 8608 1000
Email geoff.carter@minterellison.com	
Address for service	Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

ME 137655402_1

24 February 2017

Private and Confidential

Termination of Licensed Venue TAB Distribution Services Agreement

We acknowledge receipt of your letter dated 8 February 2017, giving notice that wishes to terminate its Licensed Venue TAB Distribution Services Agreement with Tab Limited (the Agreement).

We will contact you to discuss the implications of your letter in due course. While we respect your decision, we suggest that it might be helpful for to have full information about Tabcorp's commercial offering for clubs that remain with Tabcorp on an exclusive basis.

We note the statement in your letter that you are not seeking to affect other services provided by Tabcorp other than under the Agreement. We are currently considering our position in relation to the provision of other services (such as Sky vision) and will contact you separately about this.

Yours sincerely



Matthew Isaacs
General Manager – Wagering Distribution

24 February 2017

Private and Confidential

Proposed new Licensed Venue TAB Distribution Services Agreement

We refer to your letter dated 20 February 2017, which requests that Tabcorp enter into a new arrangement with (Your Club) for the provision of wagering services on a non-exclusive basis.

At the outset, we note that Tabcorp has not agreed terms with ClubsNSW in respect of a new non-exclusive standard agreement between Tab Limited and licensed venues (**New Standard Agreement**). Nor does Tabcorp intend to do so, including because we understand that Tabcorp is the only wagering provider that is authorised to provide wagering services to Your Club under NSW wagering legislation.

Tabcorp firmly believes that the services that it is offering Your Club on an exclusive basis are commercially attractive and we look forward to speaking with you further about our offer.

Tabcorp's position on non-exclusivity

We understand that Your Club may be seeking to terminate your existing agreement with Tab Limited so that it can enter into an arrangement with CrownBet for the provision of wagering services (the **Arrangement**).

In short, Tabcorp's position is that it is the only entity that is authorised under NSW wagering legislation to provide wagering services off-course in NSW, including through the use of premises or equipment for wagering purposes. We intend to work with Liquor & Gaming NSW to preserve and enforce the existing legislative framework (which includes the Unlawful Gambling Act and the Betting and Racing Act).

As previously advised, Tabcorp does have genuine concerns that both the overall Arrangement and particular elements of the Arrangement are unlawful. Tabcorp does not intend to allow its wagering services to be accessible in licensed venues on a non-exclusive basis in a manner that would give credence to what we consider to be a business model that contravenes the legislative framework.

We understand that you may take a different view. If you are prepared to share the basis for that view with us, we will happily consider it.

Tabcorp

Tabcorp's commercial proposition

We hope that before you make any decision about whether to enter into the Arrangement, you will consider the full information about Tabcorp's commercial offering that will be made available to clubs that remain with Tabcorp on an exclusive basis.

Your Business Development Manager will be in touch over the coming days to walk you through the details of this. Tabcorp's offering seeks to reflect feedback from clubs, provide you with greater flexibility, and improve the customer experience. It also includes digital commissions paid at the cash commission rate, which will be backdated to 1 November 2016. Interstate clubs and hotels have been benefitting from digital commissions for some time now and the program has been very well received. You will recall that Tabcorp had not yet extended those to NSW clubs pending the conclusion of the ClubsNSW sponsorship tender process. We believe our commercial offering is more attractive than that offered by our competitors, and we look forward to discussing it with you.

Once you have considered Tabcorp's offering, if you decide that you want to withdraw your notice of termination or otherwise wish to stay with Tabcorp, we would be happy to discuss with you.

Yours sincerely



Matthew Isaacs
General Manager – Wagering Distribution

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-9" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

HIGHLY CONFIDENTIAL Annexure **NK-9**

Tabcorp meeting agendas sent to ClubsNSW members
dated 28 February 2017

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

Geoff Carter

Law firm (if applicable)

MinterEllison

Tel (03) 8608 2000

Fax (03) 8608 1000

Email geoff.carter@minterellison.com

Address for service Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

MEETING AGENDA

TAB

Date:

Time:

Venue:

Meeting Run by:

Attendees:

CLUB INFORMATION

TAB Position

" Tabcorp's position is that it is the only operator that is authorised under NSW law to provide off- course wagering services in NSW.

"We believe that the CrownBet arrangements constitute a form of off-course wagering service that is unlawful."

AGENDA

- TAB points of difference and long term Club's affiliation
- Understanding our new Digital commission model
- TAB's new Commercial Proposition
- Comparing Financials
 - TAB Turnover Model v Corporate Bookmaker Affiliate model
- Tab Rewards loyalty and Customer CRM
- Agree Next steps & Actions

WE LOVE A BET TAB

MEETING AGENDA

TAB

Date:

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Venue:

Meeting Run by:

Attendees:

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WE LOVE A BET TAB

IN THE AUSTRALIAN COMPETITION TRIBUNAL

ACT 1 of 2017

RE: PROPOSED ACQUISITION OF TATTS GROUP LIMITED BY TABCORP HOLDINGS LIMITED

ANNEXURE CERTIFICATE

This is the annexure marked "NK-11" annexed to the statement of NICHOLAS KEENAN dated 13 April 2017.

Annexure **NK-11**

Letter from Tabcorp to ClubsNSW members dated 16
March 2017

Filed on behalf of (name & role of party)

CrownBet Pty Ltd (Intervener)

Prepared by (name of person/lawyer)

Geoff Carter

Law firm (if applicable)

MinterEllison

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Fax (03) 8608 1000

Email geoff.carter@minterellison.com

Address for service Level 23, Rialto Towers, 525 Collins Street, Melbourne VIC 3000

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Tabcorp

Thursday 16 March, 2017

«First_Name» «Surname»
«Venue_Name»

Dear «First_Name»,

Update on SKY Racing

I understand that some clubs have discussed the recent CrownBet offer with Tabcorp business managers, and that there have been questions about whether Sky Racing would continue to be supplied to venues which enter into an agreement with CrownBet. I also appreciate that there may be some confusion about our position as a result of misinformation in the market.

To be clear, notwithstanding Tabcorp's position as to the legality of the CrownBet offer, I can confirm that Sky Racing will continue to be supplied to all venues. We have also clarified this position with ClubsNSW directly.

Subscription charges will be calculated on the basis of the current Sky Racing rate card and in accordance with the terms of the existing Sky Racing licence agreement.

The rate card includes a fixed price component and a variable fee based on wagering turnover. The variable fee is calculated by reference to wagering turnover at the premises, which would include any digital turnover.

For ease of reference, links to the current Rate Card & Licence Agreement are listed below:

[Click here to download the current Rate Card](#)

[Click here to download the SKY Licence Agreement](#)

I trust that this addresses any confusion in the marketplace. Should you have any questions about this email I would encourage you to call your BDM «BDM» on «BDM_Phone_Number».

Kind Regards,

David

David Attenborough
Managing Director & Chief Executive Officer