

leopard with the same spots and we are going back right where we started. So I think that in terms of taking about the diningenuity, the disingenuin side of this part, 4Racing talks about the delay that would be [indistinct 2:44:02] if condition 10 would be amended. If they wanted to act in this play in the last 7 months they could have been engaging with the licensee, those people were a party to the previous dispute they could have been engaging with the board trying to find some middle ground as to what this condition should look like and how they can comply appropriately. 5

They chosen not to because they like the condition 10 as it stand right now. They made it clear that they will accept condition 10 as it stands right now. And they will accept condition 10 as it stands right now because the can blow [indistinct 2:45:24]. Today we heard unequivocally that their interpretation of condition 10 is to able to to broadcast horseracing from Turfontein. I'd go further Mr. Chairman that not only is an, their interpretation, but there's no even any certainty that in broadcasting horseracing from Turfontein that there's going to be sound ot there is going to be other related information. 10 15

It could just be that expression that you heard before, a raw [indistinct 2:45:52]. Now clearly that can't happen. I mean we obviously won't oppose it, we don't oppose the application of 4Racing in respect for their license but having heard the answers today we wonder whether we should have because if it's not where the board is there, Ms Gibson has said the board is there [indistinct 2:46:10] all licencees, and we are going 20

to be prejudice. condition 10 didn't find itself there by accident it was there, it had purposes that were there for the protection of other licencees it was there for the stimulation of betting but obviously pictures does stimulate betting, it was there to avoid empty competitive practice and so it goes on. It was there chair. 5

CHAIRPERSON: Mr Thomas, aren't you rehashing arguments which were heard before the disciplinary committee over so many times?

MALE SPEAKER: Yes, Mr Chairman we are rehashing and I'm trying to be very, very brief about bearing in mind that 4Racing weren't a party to that and I expect if I can, having taking your point I'd go along these lines. 10
Is that 4Racing is very anxious to talk about the legal action that could be still taking place which might impact on this and therefor they don't want to be, but on the other hand they are not a party to that [indistinct 2:47:17] condition 10 shouldn't have any relevant to what happened before.

They weren't a party before, they haven't been found guilty if 15
breaching any licence condition, this is a new application, they want to acquire this licence and the board has every right [indistinct 2:47:32] and we believe obligation to insure that we don't go down this minefield again. Chairman.

CHAIRPERSON: I heard them say, they will engage everybody they 20
will engage [indistinct 2:47:50], as I understand it although your interpretation might be something else and but they are not saying that they will not talk.

MR THOMAS: They could end up in another fight, I mean as, fortunately I'm looking at a person right now in the former view it was absolutely [indistinct 2:48:12], you are aware of what happened that licence, this licence condition will only oblige 4Racing the broadcast horse racing [indistinct 2:48:08] is just unacceptable. I mean it wasn't what the 5 intention of the condition was and even though Tellytrak won't be there and they make it very clear that they won't be part of Tellytrak.

The reality and the facts are that Tellytrak set their standards and the board is perfectly capable of engaging with the applicant making is clear what is expected from them when they do broadcast horse racing. 10 And I think it's quite important that we should make this point. That the bookmakers been given this consideration by condition 10 originally attended consideration of condition 10, which is to have a feed on the basis of recovery of usable cost didn't prevent Phumelela from exploiting the intellectual property and the international market. 15

And quite clearly, and quite justifiably 4Racing would want to do the same in the international market. But we must never forget Mr Chairman that they will nothing to sell in the international market unless the hold the race meeting licence in South Africa. That race meeting licence is providing them with that opportunity. Now I think if we take your 20 point about engagement and we consider how many years went by and if get the answers that we've got today, I mean, and we take the fact that several months have gone by since our submission and there had been no

attempt to try and find out what could be an acceptable if you like
tweaking of condition 10 or interpretation of condition 10.

I think we need to be very,very concerned. And I think the legal
fight that's going on, [indistinct 2:48:08] hearing, the delay of the [indistinct
0:48:08] hearing, acceptance of the licence condition you know has clearly 5
been exposed because they accepted what they interpreted it to be. So,
make sure they [indistinct 2:50:29] and that's a big concern for us Mr
Chairman. We haven't got the time to do this and I mean condition 10 and
the broadcasting the horseracing is a stimulation to betting and yes there
was a time when not any [indistinct 2:50:47] other lincencee and it was 10
good for the operator.

I accept I can get back quickly to that 3% just now. But this also
provides tax revenue and ultimately funding for the horse. If condition 10 is
not fulfilled in the manner in which the board has anticipated or [indistinct
2:51:05] support itself prejudised. Because that revenue will not be there. 15
Now Hollywood bet does not at anyway have a negative opinion regarding
the 3%.

In fact we think it would be good for horse racing, that 3% was
reinstated and hopefully 4Racing will be successful in that regard and
we're about to travel on the road we're not entitled to but I'll make this 20
point Mr Chairman, that the removal of the 3%, let's say with a large extent
brough about by the exposure that arose out of the previous dispute.
Because we heard Phumelela telling the world how bookmarkers wernt
paying their way and as that argument went on and we were able to

demonstrate exactly what happened at Phumelela country that there were 75 million rand coming in approximately mid [indistinct 0:48:08] coming and 75 million going out to shareholders.

The board got view hold on a second something is wrong here, is this money really going into horse racing? Now, the structure of 4Racing could be very, very different and hopefully they will be successful in that regard. But there is no suggestion, there should be no suggestion that bookmaker are not making an appropriate contribution purely because Phumelela in fact unfortunately you know broke all the eggs. 5

That in other juristic that 3% coming first, [indistinct 0:52:32]. So, chairman I think the argument from Alicia doesn't need me to repeat it, I mean she obviously, it is far more [indistinct 0:48:08] than me in that regard. But purely from a practical point of view Hollywood bets is saying we don't want to go down this road again and you know 4Racing has exposed themselves in regard to their interpretation, they are singing exactly the same [indistinct 0:48:08] as Phumelela did. 10 15

They are highly behind the impending legal actions which we're not even sure if it's going to proceed or not. That's a different matter, but they're talking about a delay that could easily have been mitigated, it could have been avoided and even now they shouldn't be a long delay and I think that Alicia has already answered your question as what would take place in the interim. We need 4Racing to act in good faith here and understand what their obligations are and what that licence condition 20

mean. That what it is chairman, and I think that concludes what I have to say.

CHAIRPERSON: Okay let me just explore this and I'd like to ask 4Racing to explain as well. If we say to them we will give you the licence but as part of the conditions you have to enter into agreements with the bookmakers about the terms of the feed, not raw or cooked. But then maybe medium to rare, somewhere in between and that we should, and we... Is that what you're suggesting that we then give stakeholders time to come to an acceptable commercial arrangement which is subject to the board's approval?

MR THOMAS: Chairman I'm [indistinct 0:54:43] question to me, and my answer to you would be yes in par. I think that it would be very possible for the board to coordinate that type of engagement. Not for 4Racing to be going one on one for the [indistinct 0:48:08]. The board obviously coordinate such an enagement in an attempt to help the board not us, formulate what that condition 10 should be. Chair, bear in mind that the board has already held a view as to what condition 10 is. Condition 10 they have already held a view that Tellytrak was the means by which Phumelela complied with condition 10 therefor Tellytrak has set that standard.

The fact that Tellytrak won't be there is just a smoke screen. So to answer your question, yes, there could be some if you allow conditional writing of the licence on the basis that something that would happen. But I

don't think that the board is possibly saying within the realistic hope that go away and talk to the bookmakers [indistinct 0:48:08].

I think the board will need to play very important part in that and that at the end of the day other lincees [indistinct 0:48:08] can't set licence condition [indistinct 0:48:08] the board sets the licence condition but we would be very keen to colaborate and for the board to coordinate such an approach and in fact Ms Gibson has already made some suggestion, we've made some suggestions. I think we've got a starting point as to what this condition would look like. 5

It only needs, it only need the board with [indistinct 0:48:08] and it could even be an exchange or commitment from the advocate with the board saying this this what we are expecting of you, this is our interpretation of condition 10. Until such time we formulate it ? will you commit to it and they can say yes or no. 10

CHAIRPERSON: I'm not sure if we can, I mean if we say this is the condition says is not up to the board isn't it? 15

MR THOMAS: You're absolutely right, we're asking the board please remove the ambiguity from this condition, [indistinct 0:48:08] exactly what it means. 20

CHAIRPERSON: I'm not saying that, for your rule I'm saying the default position now is what the board has ruled as a default , until such under the court of law, states aside that's the default position.

MR THOMAS: I understand.