

PGA TOUR Media Conference

Tuesday, June 28, 2022

Jay Monahan

Keith Pelley

Press Conference

LAURA NEAL: Good afternoon. We'll get started. Good afternoon and good evening, depending upon where you're joining us from. Thank you for taking part in our virtual press conference with PGA TOUR Commissioner Jay Monahan and DP World Tour Chief Executive Officer Keith Pelley. This is Laura Neal from the PGA TOUR communications team and I wanted to cover off a few housekeeping items and then I'll go off camera and we can begin.

We do have transcription service on the line, so all participants will receive transcripts shortly after the call concludes.

In addition, Jay and Keith's opening remarks will be posted to the PGA TOUR's virtual media center for your access and use. To ask a question of either Jay or Keith please type your name and outlet in our Teams format and we'll use that as our queue. We have a hard stop at 2:55 p.m. eastern. When it's your turn to ask a question, please come off mute, but you can leave your video off. As much as I would love to see everyone's shining faces, we're just trying to save time from going question to question. So unmute your microphone for your question, but leave video off.

Also please note that you can put your name in the queue whenever you're ready, you don't need too wait for opening remarks to conclude. With that I'll switch off camera and turn today's press conference over to Jay and then Keith for their opening remarks before we take questions. Jay, we'll start with you. Thank you.

JAY MONAHAN: Thank you, Laura. And good afternoon to everyone on what is a historic day for the PGA TOUR, DP World Tour and golf fans around the world. I'm pleased to be joining you all on-site from John Deere's world headquarters in Moline, Illinois, just down the street from TPC Deere Run where we will play the 51st edition of the John Deere Classic this week.

This is a historic tournament with winners that include Jordan Spieth, past and future Ryder Cup captain Steve Stricker and Zach Johnson, Payne Stewart and, yes,

former PGA TOUR Commissioner Deane Beman.

The John Deere Classic has contributed nearly 150 million dollars to charitable causes in the Quad Cities region since its inception in 1972. I know Keith is on-site at another great event in the Horizon Irish Open this week.

Now, in November of 2020 the PGA TOUR and DP World Tour entered into a strategic alliance. This was a big step for our two organizations as we established a collective priority of working together for the betterment of all of our members.

It was clear from the outset that this was a powerful agreement for both sides. Two separate memberships and organizations working together generating value across a number of key commercial areas and beginning work on a more coordinated global schedule that would benefit our respective memberships and fans around the world.

Tangible and historic examples of that schedule and commercial work will be on display next week with the first ever co-sanctioned events between our two tours with the Genesis Scottish Open and the Barbasol Championship, followed by the Barracuda Championship the following week.

Our work together in this strategic alliance has not been easy but clearly has been worth it. And I want to credit Keith Pelley and his team at the European Tour Group for their incredible commitment to this effort.

The more our teams have worked together the more one thing became clear: We are better working together than separately. Which is one of the many reasons why I'm thrilled today to announce an expanded partnership with the European Tour Group.

As part of today's announcement I'm pleased to confirm that each season throughout this 13 year expanded partnership the top-10 finishers on the DP World Tour will gain access to the PGA TOUR becoming full members and competing alongside the best players in the world.

Before I turn it back over to Keith, I would like to end with one final thought. The game of golf is rallying. Our members, partners and fans are rallying. Today's announcement should serve as further evidence that the



ecosystem of professional golf continues to innovate and thrive.

On behalf of the PGA TOUR I want to thank the European Tour Group for their support and incredible partnership over the past two years and I could not be more excited to see what the next 13 years will bring. Thank you.

KEITH PELLEY: Thank you, Jay. And welcome to everyone joining us on the stream. I echo Jay's comments that this is a historic day for both our tours and for golf fans around the world. I will expand on the reasons why shortly, but firstly I know many of you have been waiting to hear from me, and believe me I have been just as eager to speak to you.

However, as I said to our members, there is a good reason why we have not spoken so far during what is undoubtedly a polarizing time in our sport.

I wanted to be able to speak freely to all of you and to be able to answer the many questions I know you have.

Firstly, as you know, we purposely took our time to evaluate our stance in relation to those players who willfully breached our regulations and played without releases in the LIV event. That clarity was provided in our statement last week.

But secondly, I wanted to be able to give you the full picture in terms of the future direction of our Tour, which I could only do by sharing with you the hugely significant announcement we have made tonight.

As you can imagine it is not a simple or a quick process for two complex members' organizations to reach an agreement such as this one which benefits the range of both memberships, as well as the wider framework of professional golf. But what we outline today undoubtedly does that.

I would also like to personally thank you, Jay, and for your kind words and your team at the PGA TOUR, for your unwavering commitment to this process and to our partnership overall. The PGA TOUR have been terrific partners since we signed the strategic alliance back in November, 2020, going way over and above how a normal equity partner would act.

Our first co-sanctioned event, the Genesis Scottish Open, will be the strongest regular Tour event in our entire history. 14 of the top 15 players in the world teeing it up. Leading to the current strength of field number of almost 670, with the winner receiving 70 points.

I believe unequivocally that with this deeper partnership will now lead to even greater strategic opportunities for both our tours in the future as well as for our existing partners on the Sunshine Tour, the Emirates Golf Federation and the ISPS Handa PGA of Australasia, providing a more global vision for golf with increased resources.

For our members specifically those opportunities will include guaranteed price fund growth, a clear pathway for our members to the PGA TOUR and access to the new international events which Jay announced last week.

The extension of our already strong partnership and with this additional investment provides us an opportunity to transform our Tour. We will now spend the rest of the year working with members of our tournament Committee and our partners at the PGA TOUR to refine and improve our entire schedule for 2024.

At times when golf is at a crossroads this operational joint venture with the PGA TOUR provides our members with long-term sustainable plan and guaranteed growth.

Because today is the first time I've spoken publicly on this topic I know you will have a number of questions for me in relations to LIV Golf. Such as, are we doing this announcement because of them. Well while this closer collaboration between our tours was always in the road map of our strategic alliance, it's pretty obvious to say the current situation in golf has significantly accelerated that process. I'm not going to sit here and pretend that is not the case.

In terms of other questions you might have about what is happening in our sport, while today is about the incredible partnership we have with the PGA TOUR and the benefits that relationships will continue to deliver in the months and the years ahead, I'm also to happily talk candidly with you to address some of the misconceptions that have been abounded in recent weeks.

Before we take some questions, I would like to close by saying it has never been more important for us as a Tour to protect, respect and recognize the ecosystem that those before us have built across the DP World Tour, the Challenge Tour and the Legends Tour. Today's announcement does that.

We are extremely proud of our Tour's history over the past 50 years and I'm honored to be the chief executive of this great institution.

As I said to the players less than an hour ago, I care passionately about delivering the best possible environment for the truly genuine, decent and incredibly



talented and hard working members of our Tour. That will never change and through our expanded partnership with the PGA TOUR I believe we are well positioned to continue to do that.

In a world where people in many walks of life are struggling and there is a high level of uncertainty, our joint operational partnership with the PGA TOUR gives us a degree of security that is almost unimaginable. Simply put, we are stronger together. Totally open for any questions you may have.

LAURA NEAL: Thank you, Keith and thank you, Jay. We will start at the top of the list.

Q. This is both for Jay and for Keith. Would you explain to me at least generally how what you've done today, announced today will stem the tide of players leaving both your tours for the outlying TOUR which is LIV?

JAY MONAHAN: Thanks for the question. I think when you think about what's being announced today and you go back to November of 2020 and you look at the respective memberships of the PGA TOUR and the DP World Tour, ultimately for us it's all about creating the best, most efficient competitive platform for the best players in the world to be able to compete on and to establish context, to establish historical relevancy and to establish relevancy in the eyes of fans throughout the world.

And as Keith just said, I think the PGA TOUR and the DP World Tour coming together and the fact that you now have 10 cards at the end of 2023 that are being awarded to the PGA TOUR, it's something that's been talked about for a long period of time, it's now actually happened.

I think that the most important thing that we can do in the context of the current environment is create the strongest possible platforms. And that's absolutely what we've done.

When I look back to what we talked about last week and the changes that we made to our FedExCup schedule from January through August, to elevate eight events on the PGA TOUR, to reduce the number of players that are qualifying into the FedExCup playoffs, to the International Series, the play through in the fall, all those moves, they were made and gave us the opportunity to get to the spot where we can not only partner with the DP World Tour in every single line of business to help make a positive impact on their members, but also can create this opportunity, again, that comes back to having the strongest possible competitive platform on the PGA TOUR. Keith, I'll lead it back to you.

KEITH PELLEY: That was excellent. I will go back, Jay, and you may remember, in 2016 in Hazeltine, when we first sat down with Tim and we talked about how we can work closer together. We had this relationship with the WGCs and I was relatively new into the position. And I said, It doesn't make sense. We are a dynamic Tour with National Opens, creating -- we were in the midst of creating an elite series.

And then when Jay subsequently became commissioner, we continued those conversations. And we have, you know, well before there was ever such a thing called LIV. And when I talk about this was the road map for the long-term, we always felt that to be stronger as collective organizations, having us vertically isolated with no horizontal integration is not the best way forward.

So we started the alliance and came to that in November of 2020. And I can tell you, it has exceeded our wildest expectations. The way that our teams work together and the way that we have now really started to bring all our organizations and our strategies on everything from Esports to gaming to commercial to tournament development to digital creative content. It's been fantastic. It's energized our entire staff.

Like I said, this was always the road map. This escalated it. The existential threat in LIV Investments escalated what we had already planned. But I couldn't be more excited about it.

I want to make reference to the 10 spots. Because the 10 spots is one component of this. It's a wonderful opportunity for our players and I just had a player that had just lost his PGA TOUR card come and say to me, This is the greatest thing ever.

But I can tell you that Jay is not looking at it like this and I'm certainly not looking that we are a feeder tour to the PGA TOUR. This is one component to what we are.

We're a dynamic, vibrant independent Tour with National Opens, with heat moments like the Scottish Open that is going to be the greatest tournament that this tour has seen. With Wentworth, with the DP World, with the beginning of the season of the Middle East and in Abu Dhabi.

And I think with this relationship with the PGA TOUR it's very easy for us and now our members, who I just left, to be incredibly energized.

So I'm excited about it. Jay knows I'm excited about it. And I think us working together makes us all better. And if that makes us more competitive together, I'm not sure, but what it does do is make global golf better and better for our



respective memberships.

Q. Keith, there's been rumors, reports, sightings of you at Centurion. Can you just confirm or not confirm whether you have talked to LIV in recent months and whether this is in response to that?

KEITH PELLEY: You know what? I'm actually going to, I'm actually going to read you what I read to the players just an hour ago. So let me try to clear that up.

In July of 2021, in Malta, we viewed an unsolicited presentation from P 54, the marketing agent representing Golf Saudi. In our September board meeting that year we showed the details of that presentation to the board. After a discussion, in our assessment, we realized the numbers were less compelling than Raine Capital and the PGL proposal we turned down nine months earlier.

Out of respect for all parties involved I'm not going to go into detail about the figures. But you have to trust myself and the board that materially this was not a good deal for the European Tour and its members.

Most importantly, and this is most importantly, it was nowhere near the figures being bandied about in the media and in the players lounge over the past couple of months. We have had no further conversation with them since last summer.

I was not in Centurion. I was in Sweden.

We have been totally focused and we have focused on the, as I said, the complexity of two members' organizations coming together has required a tremendous amount of resolve, unwavering commitment and work with our respective teams.

That has been our primary and our only focus and I'm proud of where we've gotten to today.

Q. Keith, this is for you. Question regarding the Malta meeting. There have been some minutes circulated from that meeting or what would purport to be minutes from that meeting suggesting that you had, you were going to undertake the attempt to broker a meeting between Yasir Al-Rumayyan and Jay Monahan, that the, over 10 years, the financial injection at the European Tour could reach one billion. Was that communicated to the Tour membership, those figures that, were those brokers ever meant to happen, are those minutes even accurate?

KEITH PELLEY: Well, as I said, we never and I, we never received a formal written offer from P 54 or Golf Saudi. We

received the presentation that was given to us in Malta, which we -- and if you have seen the presentation you will know that the numbers there are erroneous.

And as I said, that was brought to our board in September of 2021. And as I said, the assessment for that, that that particular presentation was not as strong as the proposal that was given to by Raine Capital and PGL that we had turned down in November of 2020 in order to sign a strategic alliance with the PGA TOUR.

Q. Given that as has been noted that the LIV situation has accelerated things, why not simply merge today?

JAY MONAHAN: Keith, I'll take that. I think when you go back to the origin of or the formation of our strategic alliance I think what we're talking about today really is just a natural extension of that alliance. We're on a journey here together as two organizations. When you look at the commercial impact, the scheduling impact, all the things that have been delivered in a relatively short period of time by virtue of this alliance, this was the right step at the right time, allows us to respond to the changes that we're making on the PGA TOUR to the better, to the benefit of the DP World Tour, and allows us, as we're building trust and building our path forward here with both membership organizations to continue to deliver more value.

That day may come in the future, but right now this is the day that matters, because by creating an operational joint venture, by adding the cards and by going back to what we just, what I talked about up front, which is creating the strongest possible competitive platform, that's what the best players in the world want, that's what I've heard loud and clear over the last couple of years and that's what the best fans in the world want.

And I think the PGA TOUR and DP World Tour coming together in this manner is just the right manner at the right time. But I'll stress, our work is not done. We're going to have a lot more exciting news to share in the months ahead as we progress.

Q. Keith, what's the status of the LIV players going forward on your TOUR now, given the nature of this enhanced arrangement with the PGA TOUR and bearing in mind that those players, many of them, have been suspended indefinitely from the PGA TOUR?

KEITH PELLEY: Well I can tell you that the equity stake that the PGA TOUR are taking in European Tour Productions, from 15 percent to 40 percent, will not change our rules and regulations and will not change how we deal with this issue.

The first that I heard that the players were suspended indefinitely on the PGA TOUR was probably the exact same time you heard it. This is a conversation that Jay and I have not had and we don't plan to have it going forward. We have different rules and regulations, we have different boards, and different tournament committees.

So going forward we made a step, after significant analysis, to suspend our players with fines for three events, which is the Genesis Scottish Open and the Barbasol Championship and the Barracuda Championship.

Currently right now in the week of the Horizon Irish Open there's another LIV event. After that LIV event at that particular time we will do the exact same thing that we did after the Centurion Club, is evaluate, make a decision, then as early as Thursday we will have this discussion, make a decision, discuss with our board and announce asap.

I understand that that's probably not what you are looking to hear, but, again, we have different rules and regulations and as a result we have to handle things differently.

Q. With this strengthened partnership do you envision more co-sanctioned events in European markets?

JAY MONAHAN: I think at this point we're excited to get to the Genesis Scottish Open, the Barbasol, the Barracuda. And in our conversations with our teams really over the last year as we thought about the PGA TOUR's schedule moving forward and the DP World Tour schedule moving forward, at this point our focus is going to be on delivering the best possible competitive platform in that January through August timeframe through the completion of our TOUR Championship, those two elements in our fall, the International Series and the competition for positioning and for retention of membership.

And at the same time as Keith talked about earlier, again coming back to what we've done here, in the operational joint venture, do everything we can to continue to take the great product that is the DP World Tour schedule and platform and do our part in creating more value potentially helping on the sponsorship side, leaning in on the media side and again putting ourselves in a position where we're making a real positive impact for the membership of the DP World Tour.

A long way of saying we don't have any plans right now to add co-sanctioned events. We're going into the next couple of weeks eyes wide open. We couldn't possibly be more excited. But right now we don't have any plans to add on that front.

Q. Question for both of you. I would like to know if

LIV Golf approaches you in coming weeks or months for collaboration what will be your reaction?

KEITH PELLEY: Jay, if you want I can take that.

JAY MONAHAN: Go right ahead, Keith.

KEITH PELLEY: We brought Golf Saudi into the game in 2019. Shortly there after we had conversations about how they could get involved in other aspects of our game and including the Challenge Tour, which is something they turned down.

It leaves me perplexed when they talk about their aspiration to grow the game, yet nobody really can explain to me how that works. And I would have thought that a Challenge Tour and our Challenge Tour feeder tour into the DP World Tour would have been a perfect avenue.

Unfortunately, unfortunately the Golf Saudi has elected to play outside the ecosystem or outside the ecosystem. They play inside the ecosystem in Formula 1, they play inside the ecosystem in Premier League Football and as they do in women's golf. And I'm a board member of the LET.

I've been consistent that if in fact they are interested to play inside the ecosystem and not launch a rival tour that I think is detrimental to the game at large, then I personally, from DP World's perspective, would be open and they know that to having a conversation.

But I'm not interested and that's why there has been no conversation since the summer of 2021, because they are convinced and they seem compelled to play outside the ecosystem as opposed to inside.

Q. I was wondering if there is any stage on either tour -- a lot has been made of prize money, but given some of the fees being paid to golfers to kind of attract them to LIV, would the two, would the PGA TOUR or the European Tour consider paying players to similar kinds of fees to remain. And then I also wondered on the financials around the European Tour Productions and how much the additional 25 percent stake is going for and if it's above the 85 million dollars paid for the original 15.

KEITH PELLEY: Jay? Well, I can answer the second question. The second question is we're not going to go into the financials. And it would be very, as I said, complex even if we did, because the value that has accrued of this deal over time, based on it being more than just a financial deal with a pathway into the PGA TOUR, is not something that we can evaluate.



The bottom line is I believe that the relationship and the value of ETP is something that Jay and I have agreed upon and is fair and works for both sides.

I forgot what the first question was. Jay, do you want to answer the first question.

JAY MONAHAN: Sure. As it relates to our model, I would just tell you that we're a hundred percent focused, you heard me say this I think three times today, on creating the strongest possible competitive platform for the best players in the world. And I said last week, that if the PGA TOUR is going to compete on dollars, in dollars alone, against a foreign monarchy that is trying to buy the game, that's a very difficult spot for us to be in.

However, if we're going to compete by creating the best schedule, again, the best competitive platform, with players having the ability to pick and choose their schedule, the biggest events in the world, preparing to compete in the biggest events in the world, and continue our legacy of meaning and purpose. And specifically by that I mentioned earlier we are here at John Deere, 145 million dollars raised for charity since inception. Making an impact week-in and week-out, creating a great purposeful environment for our players and for all of our partners and all of our fans and giving our players that flexibility and autonomy to pick and choose and to prepare for those moments, for the great moments in our game that create, again, that relevancy, the context, everything that the best players in the world are seeking.

That's where our focus is going to be. And we're going to try and do everything we can and this partnership is an example of it, of finding ways to create more value that we can invest right back in to these two tours to the benefit of all of our members.

But we're going to keep going down the path that we're on and we're going to fight for every single member out here and make certain that the opportunities, both in terms of what they're playing for and what the opportunities this platform provides, continue to grow in meaningful ways.

Q. So Keith, would the European Tour pay members fees like that?

KEITH PELLEY: I think I would echo exactly what Jay has said. The magic of this game is that the essence of true competition, the legacy of established tournaments and the greats of our game and recognizing them. Paying players outside of the meritocracy that the wonderful game allows us to have in a way kind of defeats that, the wonderful purity of our game.

Having said that, there is no question whatsoever that the currency of our game is top players. I have always said in your business, in the world of television or in newspaper, the currency is ratings or the currency is readership.

The currency in our business is top players. And it is important and we are seeing that next week or in, yeah, next week, with the Genesis Scottish Open, with 14 of the top 15 players and how that will be just an unbelievable and incredible event.

JAY MONAHAN: I'll just add too, that if you look back over the last couple of years and you think about how we will evolve and grow as an organization, continuing to listen to and talk to our entire membership, including top players, and coming up with, again, ways to create value, additional value going forward, and we've done that through the establishment, expansion of the FedExCup, the establishment of the Comcast Business Top 10, the creation of the Player Impact Program, our Play 15 Program. We will continue to find and identify more ways to drive value to our respective memberships. And it really is, it comes from listening and working closely and partnering with your members and getting there and what we're going to do.

KEITH PELLEY: Yeah, I think the only thing that I'm troubled with in that is the actual comment of paying players. Players bring different value to different tournaments. That I totally understand. But there are other ways rather than just a pure payment to a player. And that's not what we have been over time and that's not what we want to go forward with.

If certain players, you know, are involved significantly more in the promotion, significantly more in our social content and are driving television ratings, which again is a form of currency, then there's a way of rewarding players. The clever creative creation of the Player Impact Fund does just that. It doesn't just pay players, it rewards players that bring value to the tournaments.

Let's be totally candid. When Rory McIlroy plays in a tournament on the DP World Tour, it's a different tournament. He is one of the impact players. And but Rory doesn't want to be necessarily paid for that in terms of a pure appearance fee. But there are ways to actually get him involved in your business in different ways that allow him to be compensated in that way. If that makes sense.

I don't, I am not and never have been a personal fan of purely paying appearance fees just for players to play.

Q. The only other question I had is would a members'



vote be required for a full merger?

KEITH PELLE: For us it would be.

Q. The 10 spots available, if these spots or some of these spots are already taken, the members are members of the PGA TOUR, will it go further down the list? Will it go beyond 10 in terms of 12 and how far down do you go? And secondly, Jay, you made it pretty clear over the last couple of weeks that there isn't a pathway back for the LIV players. Keith, what pathway, if any, is there for LIV players back on to the DP World Tour?

JAY MONAHAN: Keith, let me just, on the first part, just clarify that those 10 spots go to DP World Tour members that finish in the top 10 that clearly are not otherwise exempt on the PGA TOUR. And in the coming weeks we're going to work closely with our Player Advisory Council.

One of the things that we're also doing with this change is we're going to move from a two-tiered system on the Korn Ferry TOUR with 25 cards during the regular season and 25 cards in the Korn Ferry TOUR Finals, which has been a competition between the Korn Ferry Tour players outside the top 125 -- outside the top 25, and the PGA TOUR players outside the top 125 for those 25 cards. That will be consolidated into a total of 30 cards.

Additionally, we will be reinstating a qualifying school. Five spots. The Q-School was something that was on our schedule and part of the PGA TOUR up until 2013.

So when I say working with our PAC, thinking about the category ordering, the reshuffle procedures, how many there will be in the January through August timeframe, that's an important detail that we still need to work through. But that's a total of 45 cards, whereas in the past there would have been 55 cards from that category those categories.

So we think we're creating more opportunities for the broad membership on the PGA TOUR for the subsequent season. Keith, I'll turn it back to you for the second part.

KEITH PELLE: I agree. I think just to give you a little bit of color on the first, if the system had been in place last year, the 10th and final card for the 2022 PGA TOUR season would have gone to Calum Hill who finished 32nd on the Race to Dubai. And in fact the last five cards would have been Dean Burmester, Jason Scrivener, Justin Harding, Johannes Vermeer, and Calum. In 2018 Shubhankar Sharma would have been the last player. In 2019 it would have been Spanish Jorge Campillo.

So it really is a wonderful opportunity for our members. And we are working with our Tournament Committee that if in fact those players who, based on our historical data and have analyzed with our two respective teams, will get between 26 and 28 playing opportunities on the PGA TOUR. So it is a very good card that will give them a real strong opportunity to keep their cards.

But at the same time we are working with our Tournament Committee to give them, if in fact they are not, they are not successful in keeping their card, a pathway back to, if they're interested in the DP World Tour.

In terms of the other, as I said, we are determining what we are going to do after the breach of the regulations and rules after this week at the Horizon Irish Open. We have not released players to play in America in Portland and we'll make those decisions very shortly.

Q. Have all the players, Keith, who supposedly are playing in Portland, have they all requested exemptions this week and permission to play on the LIV Tour?

KEITH PELLE: Yes, they have all requested releases, yes.

Q. And all been denied.

KEITH PELLE: From my, from my understanding -- well they have all been denied, yes. From my understanding I believe every single one has been released. That's handled directly by our tournament team. But there is nobody that has been released, I believe. The only way that we release any players is if they are not eligible to play in the tournament this particular week, which was the Horizon Irish Open. And as you know, this week Pablo Larrazabal is here at the Horizon Irish Open who played in the very first LIV event. But he has been fined and is not eligible to play in Scotland, Barbasol or Barracuda. But he is eligible to play in the Horizon Irish Open if he pays his fine.

LAURA NEAL: Jay, Keith, thank you so much for your time we appreciate media members joining us and the great questions. Congratulations on today's announcement. Thank you.

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