

# BMW PGA Championship

Wednesday, 7 September, 2022

Virginia Water, Surrey, England

Wentworth Golf Club

## Keith Pelley

### Press Conference

SCOTT CROCKETT: Thank you very much for your attendance as always. We are delighted to be joined this morning by Keith Pelley, Executive Director of The European Tour Group.

I know you're prepared for the questions that will be coming your way, but I know you want to open up with a statement of your own and some words.

KEITH PELLE: Sure, thanks, Scott. Good morning, everyone. Thank you for coming long today but also for your coverage of this week's BMW PGA Championship and throughout the DP World Tour season.

As you know, last night I addressed a player meeting where I made a lot of the same points that I'm going to make to you this morning. I make no apology for doing that because it's important that you, the media know exactly where we stand on many crucial issues facing our game.

There are a lot of irrational and ludicrous comments on social media, a lot from people with only a handful of followers and many accounts of which have only been set up in the last couple of months. Given the nature of the medium, they can sometimes garner as much attention as a well-respected commentator or a knowledgeable and credible journalist like yourselves.

What I said to my staff and also the members last night as a result of this, we have to be very careful allowing social media to shape our opinions given the amount of misinformation out there and some deliberate attempts out there to sabotage the narrative. I was saying to Scott, I think I read the other day that Twitter takes down about a billion bots a day.

Related to that, there is no question there is a lot of opinions and a lot of thoughts out there right now, and this is definitely the most divisive period in any sport I've ever been involved in. The one thing I want to do this morning is take away all the background noise and just look at the cold, hard facts.



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For me, the absolute priority as it has been every single day since I joined the Tour seven years ago, is to do what is best for the membership at large, and I strongly believe, emphatically believe, that is through our partnership with the PGA TOUR.

The golfing landscape has changed forever. That is a fact. Another fact is that some people will agree with the direction we have taken, and some will not. If you're playing already the LIV Golf banner, I can see why you wouldn't. If you're playing on golf's established tours, I can see exactly why you would.

But as I said, let's look at some of the facts. Without question, the main one is that as a result of our partnership with and the investment of the PGA TOUR, our prize funds are guaranteed for the next five years. In fact, they are guaranteed to grow year over year, regardless of what happens with any of our stakeholders, partners or sponsors.

However, that eventuality is almost impossible due to the belief that our stakeholders, sponsors and partners have in us because of this partnership with the PGA TOUR.

If you step back and look at it objectively, that certainty is massive. Not only in the context of the current disruption in golf but also the terms of the global economy, because let's not forget, we along with every other business, are only just emerging from an unprecedented pandemic. Not only that, the global economic markets continue to be impacted by the war in Ukraine and Russia, and let's not forget, global inflation.

But the fact is outside the majors and the one WGC which now remains, our member also play for 144 million on the DP World Tour next year and that will rise through every year to 162 million by the time we get to 2027.

In an ever-changing and challenging global landscape, I think you'll agree that is a remarkable position for us to be in. We have stability for the next five years and a long-term option to continue after that for another eight years. We have certainty in an uncertain time with a very strategic.

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As I said to our partners and sponsors on a Zoom call last week, it is easy to get dragged down by the LIV propaganda machine, churning out negative news stories and misinformation about the poor state of the traditional golfing world, including our tour. It's just not right.

And let me make this perfectly clear: Nothing could be further from the truth. We are in excellent shape and set to get even stronger.

As I said to the players in a note next week, in addition to the guaranteed prize funds, our PGA TOUR alliance will help us transform our schedule in 2024 and we'll be working in conjunction with our Tournament Committee to do that. They saw the first draft of it last week, and we have already had multiple meetings this week with the PGA TOUR.

We will introduce a Player Ambassador Programme which is still a work-in-progress but will involve more than just the top players, and will formalise a proper pathway from our tour to the PGA TOUR. Since I've been here, all top players wanted to get to the PGA TOUR but there wasn't a direct pathway; there is now. The best pathway to the PGA TOUR is with us.

Some players have said that losing ten of our leading players at end of each year will weaken our tour. I completely have a polar opposite view on that and I'm happy to go into detail in the Q&A as I did last night with our members.

But before I take questions, I want to say a couple things will LIV Golf.

The first one is the reality in our game today, LIV Golf and the PGA TOUR are involved in a power struggle for our sport. It is Corporate America versus a sovereign state and a conflict fought out with eye-watering sums of money. Money on both sides in markets that we play in, that we play in, it is not possible to generate.

I often get the question, why can't we work with both the PGA TOUR and the Saudis. We tried. But the Saudis remain determined to set up a new series outside of the current ecosystem. That decision has created the conflict we see today and we chose to partner with the leading tour in the game. Some people might not agree with that decision. But it's a decision we feel is the right thing to do for all our members. Bringing the benefits of such an alliance to each and every one of the 326 players on the DP World Tour, not to just a small portion of the 48.

I don't care what business you come from. In any walk of life, you stand by your partners. Even if you are criticised

for the decision you have taken, you stand by that decision and you stand by your partners. It's the right thing to do. We have done that and the PGA TOUR have done that by us, too.

I know that many people still quote the Malta meeting and the supposed \$1 billion offer that was made to us by Golf Saudi, which is a large part of the reason of the claim that we missed an opportunity with the Saudis.

There's only one word to describe that claim, and that is fictitious. I genuinely do not know how many times I can make this point. And you can ask any member of our board of directors, and they will unanimously confirm that it was not an offer, it was not a deal, it was merely a marketing presentation put together on behalf of Golf Saudi.

When it was reviewed at our board of directors on September 7, 2021, it was dismissed. I'd love to share the actual document with you but we have no intention of sharing a document that isn't ours to share. In many ways, I wish I could because it would put to bed all this speculation once and for all.

I have two final comments on the players that have gone to LIV Golf. The first is that I've been 100 percent consistent with each and every one of them, and that is the fact that I respect their right to do what they feel is right for them. Obviously, I didn't want any of them to go and didn't think they should go but I acknowledged the position some of them were in and even acknowledged the move; a move that they felt was best for their careers at this time.

I've seen a lot of media coverage about such conversations, but it's interesting that always these players only tell half the story to you guys. Yes, I didn't begrudge any of them for going. But the point they never mention in these articles is the key point I made to all of them; namely, make your move, go and do what you think is best for your career but do not then begrudge the consequences of your actions, because I explained to each and every one of them, there will be consequences.

The other request to the players was please do not show disrespect towards the Tour which gave you a platform to build your career; disrespect by constantly parroting LIV's talking points and commenting negatively on our tour. Some players have followed that letter and that request perfectly.

Louis Oosthuizen being a prime example, as I said to the players last night and which has been reported in some of the sections of the media this morning. He called me. He could not have handled his departure from the tour in a

more classy and professional manner, both in his terms of correspondence with us, and he's not said one word against us publicly since. He's a gentleman, and I wish him nothing but the best.

Others, however, have not conducted themselves in that way, and that is my biggest personal disappointment over the past few months. Some of these players have said we are a feeder tour, and even made a suggestion that we are headed towards being the fifth tour in the world. A feeder tour is a tour that exists purely to allow players to get to the next level. The Challenge Tour is a feeder tour. The Korn Ferry Tour is a feeder tour.

I'll ask you: Is this week a tournament that is on a feeder tour? A tournament that have sold-out crowds, television coverage around the world in 150 countries, five of the Top 15 players in the world? A tournament with 150 accredited media? Was our first co-sanctioned event with the PGA TOUR in Scotland where 14 of the Top 15 players played a tournament, would that appear on a feeder tour? I could go on and on.

Italy, next week, for example, with the current U.S. Open champion Matthew Fitzpatrick teeing it up. No, is the answer to all these questions. So can we please just stop the feeder tour nonsense once and for all.

And as to the point of heading towards being the world's fifth tour, one of our members who is playing here this week actually said that. It's unbelievable. And again, let's look at the facts. If the metrics were determining the top tours in the world is just money, then the No. 1 tour is the PGA TOUR. Always has been. You could argue that the LIV Invitational Series is No. 2. But The Asian Tour, 22.5 million; Korn Ferry, 20 million; Japan, 28 million; Australia, 5.8; Sunshine Tour, 7.4: Totalling all their prize funds together comes to just half of our tour. So even if the only metric is money, how possibly could we ever become No. 5.

But I genuinely personally don't believe the metric should be just prize fund: Playing opportunities, tournaments, number of countries, number of broadcast partners, the quality of our sponsors, different nationalities of our players and then total number of players, innovation both inside and outside the ropes. Inclusivity including embracing the women's game. What you saw yesterday with golfer's with a disability and our ability to develop a world tour for golfers with a disability. If those are the metrics, and I haven't even mentioned The Ryder Cup, which we operate in Europe, then we are not only golf's global tour, but we are also unquestionably the No. 2 tour in the world by a country mile.

Yet one of our players said we are on the way to being No. 5. Wow.

But we move on. We do so with renewed energy and vigour in every area of our tour. We have weather permitting, the prospect of an unbelievable tournament this week, and the tournament is fully sold out for the first time on Friday, Saturday and Sunday. We have a terrific Italian Open next week on the Ryder Cup course at Marco Simone with a field headlined by the two guys in the media this afternoon that I know you'll talk with, Rory McIlroy and Matthew Fitzpatrick. I'm sure you'll enjoy asking them about Marco Simone and Italy next week.

So enjoy this week, enjoy the next weeks, but rest assured, our tour is in a healthy and prosperous position, and set to get even stronger through our partnership with the PGA TOUR. So thank you again for the time, and I will now open the floor up to questions.

**Q. You made some great points this morning and you also talked about all the nonsense and misconceptions that have been out there. Do you feel like you should have said this earlier? Seems like there's been a long period of almost silence from your side of the court, if you like.**

KEITH PELLEY: I think there are a lot of things that we were in the midst of doing. This is certainly a changing environment and it's changing rapidly and quickly.

Scott and I had that dialogue a number of different times. We thought we would sit back, listen. We've talked to our members. We've been into the player lounge repeatedly. Thought this would be the appropriate time to talk to the media.

**Q. You talked about the 2024 schedule and seen a draft of that. Are you able to give us a little flavour of what that might look like?**

KEITH PELLEY: We showed the first draft to the Tournament Committee last week. There are meetings with the Tournament Committee members who will help shape that over the next couple of weeks with Ben Cowen, our Chief Tournament Officer, and Keith Waters, our Chief Operating Officer.

I can tell you that the concept from the players is to play less for more money. We have that opportunity now with the new investment from the PGA TOUR. That's what the schedule looks like.

We weren't able to expedite it to get it in place with 2023. We started meetings yesterday morning with the PGA

TOUR on the 2024 schedule, how we are aligning on that. So there's a lot to come on it but to be honest, coming out of the Tournament Committee meeting and showing them that schedule; and we had a five-hour Tournament Committee meeting, and if you call a five-hour meeting "good" or "great," any meeting that's five hours, if you can call it really productive, is very positive and it was more than productive.

I think if you talk to any of the Tournament Committee members, they are energised about it, and we are going to do it with them. It's exciting. One of the members, which I thought was really pointed said, now we have come through COVID in a very strong way and we now have made a significant investment in becoming a partner with the PGA TOUR. In the 2024, have some key moments of innovation, and it was reverence, the Shot Clock Masters and GolfSixes, and for me, that was an incredible comment from a couple of Tournament Committee members, and as you know, we made a significant step yesterday with the announcement of The Hero Cup that will start in 2023.

So I'm really excited about the 2024 schedule.

**Q. First of all, can I ask you again about the supposed 1 billion offer, because it's definitely grown legs. Can you tell us if there was an actual sum presented to you at that meeting, and also on the ambassador programme, is this going to be something similar to the player impact programme where players are going to be rewarded for extra services to the Tour?**

KEITH PELLEY: I think I answered the question on the multimedia and it was a presentation by a marketing firm representing golf Saudi that I brought to the board in September 2021, and as I said, it is not for us to share, and if we could share it, I think that would very quickly dismiss the claims that have been put forward on the Malta meeting.

**Q. You can't put a figure on it, the proposed?**

KEITH PELLEY: I can tell you, as I said, it's not our presentation to report. I can tell that you it is not even remotely near the numbers that have been reported in the media.

And if so, I would have had a fiduciary responsibility, which I did to, to bring that to the board, and that was dismissed.

The second question, the Player Ambassador Programme, it will be different than the PIP on the PGA TOUR. We totally understand all facets of the PIP. But ours will be different.

It has four components to it, including impact players playing in some of the events that we would like them playing in. But it also has an ambassador programme that we will use some of the players to build the Tour while at the same time it has a real key concentration on some of the up-and-coming stars that are emerging from our tour.

**Q. We have seen in football how the cash from sovereign funds has corrupted the competitive space but there's been an acceptance of it ultimately; it's not gone away. Why in golf is there not an acceptance of the new circumstances and the vast amount of wealth? I think you have admitted it's not going away. Why have you not talked to these people and why is there not a solution in the way that some of the players expressed yesterday, Jon Rahm, for example, was hoping that there could be a dialogue?**

KEITH PELLEY: Well, I'll say two things to that. You know, we brought golf Saudi into the game. We have worked, and in that conversation in Malta, we had suggested a pathway of how they could work inside the ecosystem. They have elected to work outside the ecosystem at this particular time.

And I am on the board of the LET, and grateful for the Aramco sponsorship of the LET. They work inside the ecosystem in Premier League Football with Newcastle United, and with a Canadian Formula 1 driver in Lance Stroll, and Aston Martin, they work inside.

We have tried, and I believe that we have tried and suggested that on a number of occasions and I won't go into the deep detail of it, but we have tried and they have decided to try to take on the establishment at this particular time.

I want to -- and I'll take the opportunity, because some of the players have asked, well, how can you let players for years on the PGA TOUR play on your tour, but not allow LIV players to play? And I will acknowledge over time, that the PGA TOUR have been a competitor but they have been a partner at the exact same time. They were partners in the WGCs. They were partners in the IGF, the International Golf Federation, partners in the World Golf Hall of Fame. They were competitors, but at the same time we had an understanding that we would release our players on our respective tours.

But the biggest difference is that we stayed in each other's lanes. They didn't stage events in Europe and we didn't stage events in the US. LIV's first event was in our territory in the U.K., and there is talk and people are asking me now about Valderrama. They are talking to every one of our stakeholders, every one of our partners, every one of our

broadcasters. You may have noticed that The Asian Tour has taken an event that we had in Morocco. We have, incidentally, a meeting with Valderrama this coming Friday and no contract has been signed with LIV. But they have made them an offer.

So they are a competitor, and that is a different distinction than what the PGA TOUR has been over many years. They were a competitor but a partner at the same time.

**Q. This Malta meeting, it seems hard to believe that the two sides should be so far apart from the meeting. You and McGinley made a very eloquent, eloquent defence of it. And he said would he go to his grave saying it wasn't an offer, and you have repeated it and you have said that you had to do something else had it been an offer; they are saying it's an offer. The sum is -- whether we have exaggerated it, wouldn't be the first time if we had, but at any rate, you're miles part. How can something like this happen? Are they not telling the truth?**

KEITH PELLEY: I think it's a question for them. I think it's a question for them in the document that they presented. Actually said in the actual document, it was not an offer. It's a question for them.

**Q. So if we found the document, we could see that?**

KEITH PELLEY: If they share you the entire document, it will tell you right there that it is not an offer.

**Q. I'm sure you saw, but both Jon and Billy yesterday said that, well, under the accepted and technical terms the LIV guys could play here, they understood why, but they were uneasy with it on an ethical and sporting basis. Given the sense of feeling you have articulated this morning, do you agree with them? Are you uneasy with this situation here this week?**

KEITH PELLEY: It's really irrelevant of what I believe. My role is to enforce the rules and regulations that are put in place by the membership and our membership handbook, and what I don't believe, I don't believe it is okay to break the rules and regulations without consequences. But it's irrelevant whether I believe they should be here or not.

**Q. Congratulations on the amazing sellout of tickets to this week's event, but more generally, do you think there is an opportunity to look at the format of 72-hole tournament golf and introduce new formats to attract audiences both on television and in person? And is the presence of LIV Golf and the activities of LIV Golf somehow happening because the Tour has been rather slow in developing those opportunities itself?**

KEITH PELLEY: I think we have been, and our track record shows, we have led in innovation. I've said, and I haven't said this for a while: I always believe that had 72-hole tournament represents the rich heritage, tradition and magical component of our game.

It's interesting that when we started to develop formats, innovative formats and taking those through the Tournament Committee, back in 2016 prior to COVID, the Shot Clock Masters, GolfSixes, the event that we had in Cyprus, I believe there is room. There is room for some innovative different formats throughout the year periodically.

But the magic of the game is the 72-hole tournament meritocracy, and I won't divulge the name, but you know, a LIV player once said to me who was a member of the Tournament Committee saying, "Keith, the reason why the 72-hole tournament is critical is because even you" -- kinda -- he said, "even you, might highly unlikely be able to beat me over nine holes. But there's no chance you'd ever be able to beat me over 72 holes. After 72 holes, the best players always come to the top."

So I think there is room for innovation, and you'll see that next year with The Hero Cup. You'll see that in some of our schedule in 2024. But the magic and the history of the game is still the 72-hole tournament.

**Q. You referenced a quote when the members said what they are doing is a shame because The European Tour is going to become the fifth-best in the world. It was Sergio Garcia who said that. I just wonder, have you had a chat with him? Have you asked for his reasoning?**

KEITH PELLEY: I have not had a chat since then, no. I have not. I have chatted to Sergio throughout the last couple of months, but I have not had dialogue with him for probably five or six weeks.

**Q. On the AGM and last night's player meeting, you had LIV players there asking questions, I was told it was like they were reading off lawyers's notes. Were you surprised or did you expect it?**

KEITH PELLEY: They came to the AGM, and the AGM is to really approve the 2022 financials and stuff and the chairman ran that meeting, however allowed for some questions which we answered. Last night's meeting was very short and there were a couple of questions from LIV players that I think we answered, and the meeting was over in a very short time.

**Q. Your response to those LIV players has been different to the PGA TOUR for various reasons, no doubt. But can you give us any idea what you expect the result to be in February when the full case is heard?**

KEITH PELLE: Yeah, excellent question. We are in a live claim, and there is only so much detail I'm permitted to divulge. As you're making reference to, the players based on what transpired over the last month back in a July, July 4th, I believe, at Sports Resolution, that permitted the players to stay or extend suspensions, which really kind of easier way to explain it is put them on pause. The appeal process is going forward. It is scheduled for February 2023, and I couldn't begin to start to speculate on what will transpire and what will happen and what the outcome of that will be.

**Q. So are you able to say what your ideal outcome would be? Do you want a full year ban similar to the PGA TOUR?**

KEITH PELLE: We have different rules, different regulations. It's one area that we don't have conversation with on the PGA TOUR. The PGA TOUR have not influenced any decision that we have made in terms of our regulations.

As I said, I keep coming back to it, is that we are a members' organisation, and a members' organisation that has a membership handbook, and that is made up of rules and regulations. One of those is a conflicting tournament release. They requested a release. We denied that release, based on a plethora of reasons, and they decided to ignore that release and play and break the rules and regulations. And as a members' organisation, that's not okay and that comes with consequences.

That's really all I can say at this particular time.

**Q. Jon Rahm yesterday touched on the PGA reforms, and particularly the requirement of top players to attend 20 of the elevated events. So theoretically that looks like it could be problematic for getting over to Europe and playing more over here. What are your thoughts on that?**

KEITH PELLE: That would be a question as well for Matthew and Rory.

The key on that in terms of the PGA TOUR's request, if you really look at it, it's not significantly different than in years past because it included four majors. So at the end of the day, we are partners with the PGA TOUR. We are both incentivised to help each other's businesses, and it is

important that there is top player participation here on the DP World Tour. Hence, the concept of the Player Ambassador Programme.

There is also an opportunity that exists as you're seeing right now post-FedEx with the changes in the regulations that the PGA TOUR are making next year in the fall. It gives us a real opportunity. We look at the next -- we were talking yesterday, and again, it was very exciting when we talked yesterday about we're playing here at Wentworth, Italy, France, Spain, Scotland over the next five weeks. We believe we have an opportunity, and we believe that the PGA TOUR and the top players believe that they want to be global players, they want to play over here, and now both sides just have to figure out how is the best way to do such.

**Q. Keith, a couple, if I could. One large-scale, do you have any qualms on moral grounds on Saudi involvement, and on a much smaller scale, you've asked the players not to wear LIV-branded clothes this week. If they do, what happens?**

KEITH PELLE: You know, rules and regulations, and as I said, it is -- if you break our rules and regulations, and we ask you not to break the rules and regulations, then there's consequences.

There is nothing prohibiting them from wearing LIV clothing. A couple of players, more than a couple of players, a number of players, as you may know, I sent a note asking them not to wear LIV clothing this week, and I think I stated that I've already believed LIV is a competitor at this point in time.

And as a result, it wouldn't be prudent and really good for us if they were featured on Saturday or Sunday in the hunt wearing LIV clothing, so I've politely asked them not to. Quite a few of them have come back and changed. There is one player individually who reacted incredibly positively and who was plan to go wear, and then actually got some of his merchandise shipped over not to wear it, and I appreciated that.

In terms of your second question, as I said, we made that decision back in 2019 -- 2018? 2018, in the fall of 2018 was when the press conference that we had in Saudi with His Excellency and Princess Reema, and I said then, and I say it now, you know, sports and politics, we focus on the sports side, and so that is -- I don't really have much more to say on that.

**Q. Given all the uncertainty at the moment, do you worry about major sponsors renewing their contracts going forwards?**

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KEITH PELLE: No, I don't. I really don't. You know, we have an unbelievable collection of partners. We are one of the few organizations -- and this is to be honest a tribute to Guy Kinnings and his team, that we didn't lose one partner during COVID, and we have exceeded our revenue targets, exceeded the marketplace, the sports marketplace from the commercial side way above our expectations.

Our partners have been wonderful during this time and one of the reasons is they know and they believe in our partnership with the PGA TOUR, and they believe that they are going to be part of something that is special.

**Q. You alluded to 2024 playing less, can you put any numbers or approximate percentages on what you're aiming for?**

KEITH PELLE: I can't go into the details because those are the details that are going to be discussed with the Tournament Committee. It was mentioned at our board whether that was a direction of the players. It was a direction of the players.

We will elevate The Challenge Tour as well in terms of prize fund, but there will be less events for more money at each event geared towards getting stronger fields and giving the young and up-and-coming players a chance to play.

**Q. We have seen a lot of world-class players go to LIV. For them, what you're offering, and you're obviously proud with your offering and your relationship with the PGA TOUR; it's not enough. How do you stop? How do you compete against the vast wealth of unlimited funds with a prize pot that you can't match?**

KEITH PELLE: Well, I think if you look at when I talk about the ten players, and I pulled this out yesterday as I was just going into the player meeting. You know, the likes of Ryan Fox, Adrian Meronk, Thriston Lawrence, Ewen Ferguson, Jordan Smith, Hurlly Long, Pablo. You know, if it was to end today, would all get PGA TOUR cards, play on an average ahead of the Korn Ferry card, play an average of 25 to 27 times for even double the money. That's our job as a members' organisation.

As I said, players have a decision to make. We can't compete with the money. But we can compete with the heritage, the history tournaments that require a true meritocracy and a pure competition.

And somebody said to me, "What would you do if a LIV player won this week?"

I said, "I would go up and I would shake his hand." And I would say, "You have beaten 143 players in a 72-hole tournament, which we believe is a true testament to the game of golf that has been built and that John Jacobs built since 1972."

**Q. If a LIV player came back to you in the next six months or 12 months and said, I've made a terrible mistake, I made a bad judgment call and want to come back and play the DP World Tour, what would the response be?**

KEITH PELLE: Well, I would say that that would be a hypothetical situation at this particular time, and I tend not to speak on hypothetical situations. But if that does happen, I would have a conversation with the individual.

SCOTT CROCKETT: Thanks very much, everybody, for your attention. Thanks, Keith, for your time. Have a good rest of the week.

KEITH PELLE: Thanks, everybody.

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