



## **Crown Resorts Limited (ABN 39 125 709 953)**

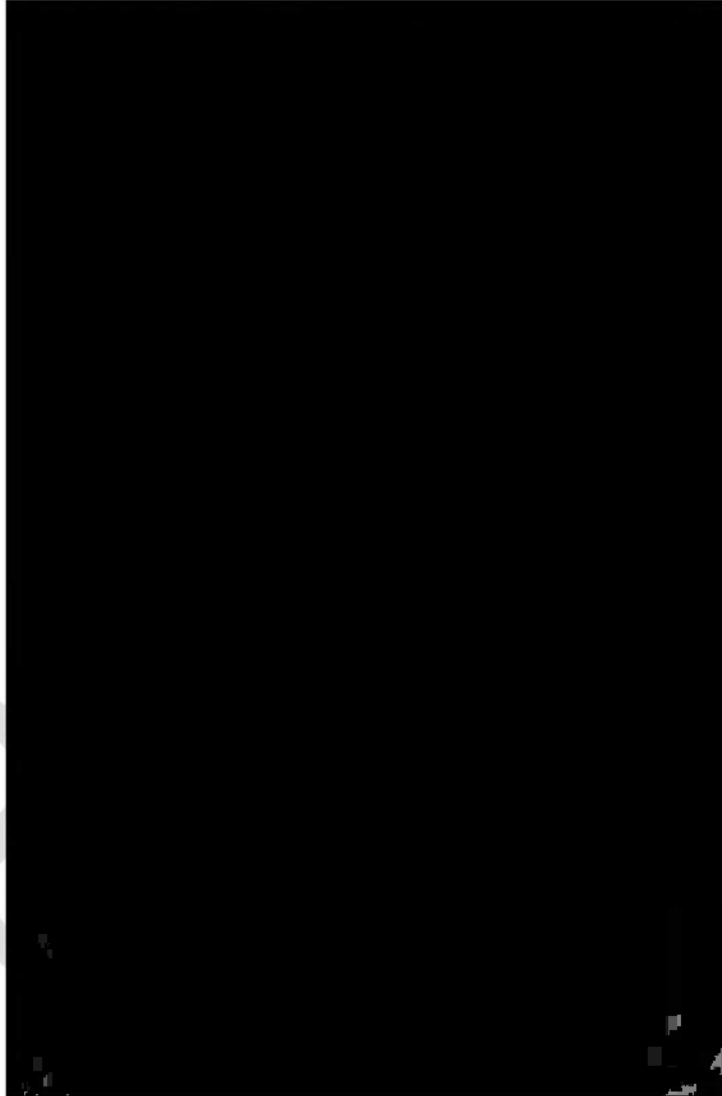
Meeting of the Board of Directors held by videoconference  
on Monday, 24 May 2021 at 8:30am

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<b>Present:</b>	Helen Coonan (Chairman) Jane Halton Toni Korsanos Nigel Morrison  Bronwyn Weir (Minutes)
<b>By invitation:</b>	Bruce Carter Kelvin Barry (UBS) Steve Blackburn, Group Chief Compliance & Financial Crime Officer Guy Foster (Allens) Andrew Maher (Allens) Stuart McCulloch, Interim General Counsel Alan McGregor, Chief Financial Officer Matthew Young, Manager – Strategy & Investor Relations
<b>Apologies:</b>	Nil
<b>Opening of Meeting:</b>	The Chair opened the meeting and noted a quorum was present.

**Crown Subordinated Notes II –  
First Call Date:**

Mr McGregor referred the Board to the paper titled 'Hybrid considerations' prepared by UBS and Barrenjoey and presented at the Board meeting on 14 April 2021.



After consideration, it was **RESOLVED** that:

- 1.
- 2.
- 3.
- 4.



#### **Update on Proposals**

Mr Barry then provided the Board with an update on the proposals noting the announcement released by the Company noting commentary received from shareholders showed a high level of support for the Board's decision.



**Financial Crime & Compliance Plan  
Change Program**

The Chair then invited Mr Blackburn to present the Financial Crime & Compliance Change Program.

Mr Blackburn commenced the presentation by noting that he had separately briefed the Directors in advance of the meeting in relation to the Financial Crime and Compliance Change Program (the Plan). Mr Blackburn took the paper as read and proceeded to provide the Board with background information regarding the development of the plan including:

- noting the current state of financial crime and compliance at Crown versus market and regulatory requirements and best practice;
- benchmarking the Plan against other entities, particularly those with enforcement investigations on-foot or past investigations; and
- an extensive consultation process was undertaken with multiple stakeholders throughout Crown's operations.

Mr Blackburn noted that the Plan will help inform AUSTRAC as to how they proceed with their enforcement investigations of Crown and future engagement with respect to Crown. Mr Blackburn then referred to the Board to Financial Crime and Maturity Assessment and noted that Crown is currently assessed at the 'foundational' stage with an aspiration to become 'advanced' by 2022. The Committee discussed the requirement to incorporate the Plan into the Company's existing risk management framework and Mr Blackburn confirmed that work has already commenced in this regard.

Mr Blackburn then referred the Board to the additional resources required to implement the Plan noting this will be a significant cost to the Company. Mr McGregor confirmed to the Board that while the costs of the Plan have not previously been factored into the Crown Management Plan, they will now be included in the FY22 budget and plan.

Mr Blackburn then referred the Board to the security and surveillance function and advised the Board that there is no change in reporting structure proposed at this time and that further discussion regarding this function is required in due course.

After consideration, the Board **RESOLVED** to note the current state assessment in the paper and approve the implementation of the Financial Crime and Compliance Change Program.

**Responsible Gaming Enhancements**

Mr Blackburn took the Responsible Gaming Enhancement paper as read and noted that he had separately briefed the Directors prior to the meeting. Mr Blackburn provided a high-level overview of the proposed enhancements to the Company's Responsible Gaming function noting the proposal includes the addition of 14.5 FTE resources to assist with data collection, analysis and evaluation of responsible gaming systems and processes. Mr Blackburn emphasised the importance of data collection and improved research to better advance the entire regime of responsible gaming at Crown as well as within the community.

Mr Blackburn noted the internal consultation process undertaken in developing the responsible gaming recommendations and enhancements.

The Chair then invited Mr Maher from Allens to provide the Committee with their observations on the Responsible Gaming Enhancements.

Mr Maher commenced by providing the Board with a summary of the key themes identified in the public submissions from the Victorian Royal Commission that relate to responsible gaming, noting many of the submissions were submitted anonymously.

Mr Maher spoke to each of the key themes which included self-exclusion, enticements, illegal activity, service of alcohol and the gambling environment.

Mr Maher noted that many of the key themes raised in the public submissions have been addressed in the recommendations of the Responsible Gaming Enhancement Plan. Mr Maher then mentioned that the issue of adequate training of Responsible Gaming staff had recently been raised by the Royal Commission and advised the Board that this issue is likely to be explored further by the Royal Commission in the coming days.

The Committee discussed the submissions and in particular the legal process and challenges of self-exclusion and how this potentially discourages guests from pursuing this form of support. The Company's introduction of the 'time-out' concept has assisted guests as an alternative to the self-exclusion process. The Committee also discussed the Company's rewards program and Mr Maher noted that a number of the submissions received mentioned the receipt of marketing material to entice them to attend the casino. It was noted that where a guest had self-excluded, a stop code is applied to their account. It was however noted that where guests have multiple reward accounts, this process can become challenging.

The Committee discussed the 'time limits on play' and Mr Blackburn confirmed this refers to carded play, and not un-carded play. Mr Blackburn advised the Board of the challenges to identify excessive play however the Company has introduced tools such as facial recognition and additional resources on the gaming floor to better identify this behaviour.

After consideration and having regard to the discussions and documents presented to the Responsible Gaming Committee, the Board **RESOLVED** to note the paper and approve the implementation of the Responsible Gaming Enhancements as outlined in the paper.

**Remediation plans – Progress and Reporting:**

The Chair then invited Mr Weeks to present an update on the Remediation Plan.

Mr Weeks provided an update on recent meetings with regulators and noted the intention to adopt a consistent reporting framework with regulators in each jurisdiction. Mr Weeks noted that strong progress has been made with the Remediation Plan however there is still a lot of work to do particularly with the culture reform program and centralised corporate structure.

Mr Weeks then referred to the Board the marked-up version of the Remediation Plan included in the papers. The Board then undertook a page-turn of the Remediation Plan and provided comments on each of the items. Following the review, the Board requested talking points be prepared on each of the key items raised in the Remediation Plan. Mr Weeks then agreed to update the Remediation Plan and circulate a clean copy to the Board.

**Culture Reform - Update:**

Mr Weeks then referred the Board to the Culture Reform Project noting that this is a key element of the reform agenda and needs to be underpinned by a credible plan to outline how the Board proposes to cascade and improve culture throughout organisation.

Mr Weeks then outlined the proposed phases to deliver a culture of integrity and accountability noting the need to develop of new Code of Conduct what is accessible and simple for staff at all levels to understand. Mr Weeks also noted the importance of encouraging staff to speak up and that the reform agenda provides an opportunity for the Company to put in place better systems and processes to address the historic conduct and behaviour of not speaking up.

Mr Weeks then briefly spoke to the introduction of an Integrity Office and establishment a team of Integrity Advisors or Officers.

The Board were supportive of the proposed pathway to improving culture and also noted the work currently being undertaken by Deloitte together with the imminent commencement of a new CEO and Chief People & Culture Officer to own and drive the culture reform program.

**Payroll Compliance – Update:**

Mr McGregor then updated the Board with respect to the payroll compliance review. Following the review, a total of 211 employees have been identified as not having been paid their full entitlements during the assessment period. Mr McGregor advised the Board of the estimated liability of impacted employees and then proceeded to outline the proposed remediation plan and engagement with the Fair Work Ombudsman (FWO). Mr McGregor anticipates ongoing engagement with the FWO and the possibility of the Company receiving an enforceable undertaking. Mr McGregor agreed to keep the Board informed of progress in relation to this matter.

**Personal Political Donations:**

The Board agreed to defer the discussion regarding personal political donations.

**Closure:**

There being no further business, the meeting was declared closed at 11:45am.

Signed as a correct record

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Chairman