

14 August 2020



Crown Resorts Limited

Legal and Regulatory Update

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CROWN RESORTS

Class Action

In relation to the issued class action proceedings in the Federal Court, a mediation was held on 4 August 2020 at which the matter did not settle.

Richard Murphy and Glen Ward will be in attendance at the meeting to present further in relation to this matter.

GST Matter

Following the hearing in the Federal Court of Australia on Tuesday, 9 June 2020 and Wednesday, 10 June 2020, Crown is awaiting judgment which has not yet been handed down.

ASIC Corporate Governance Taskforce

As the Board is aware, ASIC has provided feedback to Crown on its review of Crown's corporate governance practices in relation to executive remuneration.

In June 2020, the Chair established an ASIC Special Purpose Committee, comprised of Helen Coonan, John Horvath, Jane Halton, Michael Johnston and Harold Mitchell which met on 9 July 2020 to consider the feedback received from ASIC. The proposed actions have been referred to the People, Remuneration and Nomination Committee for oversight and implementation.

AUSTRALIAN RESORTS

For updates on AML/CTF matters, please refer to Agenda Item 8.

Instrument and Payroll Compliance Review

As previously reported, Crown commenced a comprehensive instrument mapping and payroll audit in October 2019 which followed extensive reporting of employees being underpaid across corporate Australia.

Although progress of the mapping and payroll audit has been delayed with COVID-19 impacting the ability of both Crown and its external advisors to deliver an outcome in the timeframes originally anticipated.

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A detailed report was provided to the Risk Management Committee at its 12 August 2020 meeting.

IHG Trade Mark Matter

Detailed updates in relation to this matter have previously been provided. Discussions continue between IHG and Crown in relation to the dispute related to the parties' respective use of the CROWNE PLAZA and CROWN brands for hotel services.

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CROWN MELBOURNE

Regulatory matters

Crown Melbourne continues to remain engaged with the Victorian Regulator and Government on a proactive basis to address any regulatory issues associated with the shut-down.

Dinner by Heston Blumenthal

As the Board is aware, Topsy Cake Pty Limited (**Tipsy**), the operator of Dinner by Heston Blumenthal is now in the process of being wound up. Crown has re-taken possession of the premises and terminated all the relevant contracts (the Lease, the Commercial Agreement and the Intellectual Property Licence).

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Building Cladding Issue – Crown Melbourne

Work progresses in relation the various workstreams previously identified in relation to this matter.

Crown met with the Building Appeals Board (BAB) on 7 April 2020 in relation to Crown Metropol Melbourne and several additional queries were raised. Crown lodged additional information on 22 May 2020 and the Victorian Building Authority filed their comments to the BAB on 12 June 2020. The BAB has not yet completed its final determination on this matter.

Crown is proactively replacing small sections of cladding along the Podium riverfront during this low traffic period.

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CROWN PERTH*Regulatory Matters*

During the period in the lead up to the re-opening of the casino on 27 June 2020, Crown Perth engaged with the Regulator to ensure key tasks were completed, as included in the casino re-commissioning plan.

Amendments to approved procedures, approved by the Regulator during the period of closure, were utilised to increase the efficiency of table opening procedures.

No matters of regulatory compliance were identified during the casino re-commissioning process.

Cashless – Use of EFTPOS

The first phase of Crown Perth's implementation of EFTPOS (debit) on gaming tables commenced on 27 July 2020, comprising one device on one table. The implementation will continue to progress in a phased manner, in accordance with the implementation plan.

Since the previous Committee meeting, a demonstration of the Crown Perth EFTPOS device has been given to the Chief Casino Officer and a subsequent demonstration to the Gaming & Wagering Commission on 28 August 2020.

As required by the Commission, a report will be provided the Commission after 3 months of operation, in relation to "the use, take up and any issues from the conduct of cashless gaming".

Crown Towers Perth Residual Land – Sale and Development Agreement

On purchasing 5.823 hectares from the State to develop Crown Towers Perth in 2013, the Agreement for Sale and Development of Land (**Sale and Development Agreement**) required Crown to commence development of the undeveloped residual land (approximately 3 hectares) by no later than September 2020 and for all development on the land to be completed by September 2028. In failing to meet this obligation, the State has the option to repurchase the undeveloped residual land at the original purchase price.

As Crown Perth has no current plans to develop this land, Crown representatives have progressed discussions with the Premier and Minister for Gaming's offices and are presently preparing a formal request to the Minister's Office seeking removal of the obligation to develop the land or alternatively an extension of time.

CROWN SYDNEY*Regulatory matters*

Members of Crown's regulatory and compliance, legal and gaming teams continue to engage with Liquor & Gaming NSW (L&G) on an ongoing basis to progress regulatory matters required to be approved prior to opening.

At L&G's request, Crown was to present to the Independent Liquor and Gaming Authority (ILGA) at its meeting in mid-July. This presentation was postponed by ILGA, and it is likely that a separate meeting to consider only Crown submissions will now be scheduled. The presentation will provide background on the overall building, a high level summary of gaming and non-gaming operations, and security and surveillance arrangements. Whilst L&G has a solid understanding of these matters, the presentation is intended to provide ILGA with the necessary background information to assist in its determination of those Crown submissions which cannot be delegated to L&G.

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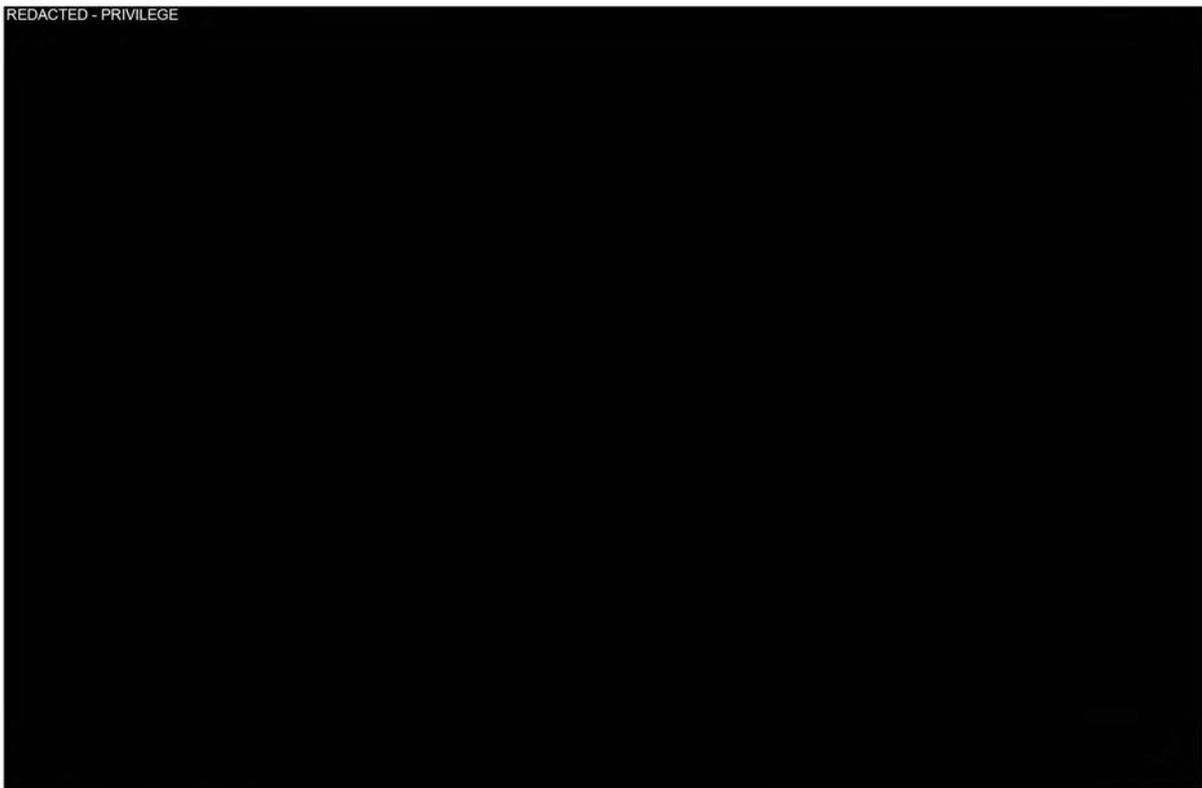
Key matters include approval of the casino management system, internal control manuals and surveillance and security operations, determining gaming boundaries, associate and special employee licensing requirements and liquor licensing. Relevant departments are engaged as required and kept updated on the progress of these matters.

ILGA Inquiry

A detailed update on the ILGA Inquiry is included at Agenda Item 9.

ASIC Notices

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NSW Supervisory Levy

The Minister for Customer Service has communicated an intention to impose a supervisory levy on the Crown Sydney casino, and has directed ILGA to progress.

Crown had proposed that a protocol govern any discussions in relation to a supervisory levy given the timing of discussions. Engagement with ILGA in relation to a supervisory levy continues.