



Crown Resorts Limited

Chief Executive Officer's Report
October 2020

Trading Update

Please refer to **Agenda Item 4.3** for a detailed update on trading.

Covid-19 Update

Trading at Crown Perth following its re-opening on 27 June 2020 has continued above expectations, despite the ongoing COVID related restrictions relating to distancing and restricted capacities.

With the Metropolitan Melbourne remaining in Stage 4 lockdown, the timing of re-opening of Crown Melbourne remains uncertain. Crown has continued its engagement with the Victorian Chief Health Officer and the Department of Health and Human Services (**DHHS**) in relation to the proposed protocols for reopening.

Crown Aspinalls re-opened on 15 August 2020. Activity is significantly limited and workforce reductions (reduced hours and redundancies) have taken place.

2020 AGM

Due to the current COVID-19 pandemic, the AGM will be held by virtual means.

A detailed paper on the proxy vote positions is included at **Agenda Item 7**.

Based on proxy votes at the date of this Report, 17.52% of votes cast on the Remuneration Report are against the resolution. If the votes against the Remuneration Report are 25% or greater, Crown will receive its first strike at the AGM.

Litigation and Regulatory Update – privileged and confidential

REDACTED - PRIVILEGE



REDACTED - PRIVILEGE

AML/CTF Joint Program

A detailed progress update on the implementation of the AML/CTF Joint Program will be presented to the Risk Management Committee at its 20 October 2020 meeting.

In progressing the implementation of the AML/CTF Joint Program which was approved by the Board in August 2019, the AML team have considered the operationalisation of the new joint AML/CTF Program and are in the process of developing a revised program which will be presented to the Board in due course.

It is also proposed that Nick Stokes be appointed as the AML Compliance Officer for each of Crown's Australian resorts reporting entities (ie Crown Melbourne Limited, Burswood Nominees Ltd and Crown Sydney Gaming Pty Ltd). Nick Stokes meets the AML Compliance Officer requirements as set out in the Joint AML/CTF Program.

The Board is being asked to recommend the appointment of Nick Stokes as AML Compliance Officer to each of Crown Melbourne, Burswood Nominees and Crown Sydney Gaming.

Junket Processes Review


With the suspension of all junket relationships until 30 June 2021, of which all previously active junket operators have been advised, Crown is in the process of implementing a new junket approvals process which includes the recommendations provided by Deloitte and additional measures.

Please refer to **Agenda Item 4.2** for a more detailed update on this matter.

Instrument and Payroll Compliance Review

A detailed update on this matter will be presented to the Risk Management Committee at its 20 October 2020 meeting with a verbal update to be provided to the Board.

Insurance Renewal



A verbal update on the Risk Management Committee's consideration of this matter will be provided to the Board at the meeting.

Auditor Appointment

ASIC has consented to the proposed resignation of Ernst & Young as Crown's auditor to take effect from the AGM. In addition, all three State gaming regulators have approved the proposed appointment of KPMG. .

Digital Payment and Virtual Account Technology

As previously reported to the Board, cashless transactions for gaming activity is being actively reviewed across a number of gaming jurisdictions, in part due to the encouragement of health authorities to avoid the use of cash as a potential fomite.

Crown Perth – EFTPOS at the table

The first phase of Crown Perth's implementation of EFTPOS on gaming tables commenced on 27 July 2020. The implementation is currently in Phase 2 of its "pilot" phase, which involves EFTPOS on 24 tables for a period of 13 weeks. This is in advance of full operational implementation (Phase 3).

For the first approximately 6 months, Crown Perth has implemented the additional control of a \$500 maximum daily withdrawal limit to apply to all non-premium areas.

As required by the WA Commission, a report will be provided to the Commission after 3 months of operation, in relation to "the use, take up and any issues from the conduct of cashless gaming". The current action plan is to continue monitoring the implementation of the project and liaise with regulators and relevant external bodies.

Digital Payment Proof of Concept

In addition to the trial in Perth, Crown is also considering the use of digital payment and virtual account technology more broadly as part of its future business model, subject to any required regulatory approval.

Development is underway for a working prototype of suitable technology that can be used to socialise with relevant regulators and stakeholders.

Crown is working with relevant Victorian Government departments regarding the legislative impediments. The matters have been raised with the Minister for Customer Service in the context of mooted changes around cashless changes in pubs and clubs, with conversations continuing in this respect.

The proposed technology solution has also been raised with the Minister for Customer Service in New South Wales in the context of mooted changes to the acceptance of cash at gaming machines in pubs and clubs in that State. Conversations are continuing in this respect.

New South Wales Technology Working Group

In New South Wales, a Government-led working group is considering the introduction of digital wallet technology for the casinos, pubs and clubs. Work continues on the development of product based proposals by various industry participants for submission to the Technology Working Group for approval to move to a number of trials.