



Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held by videoconference
on Wednesday, 9 December 2020 at 10.00am

- Present:**
- Helen Coonan (Chairman)
 - John Horvath (Deputy Chairman)
 - Ken Barton
 - Andrew Demetriou
 - Jane Halton
 - Guy Jalland
 - Michael Johnston
 - Toni Korsanos
 - Harold Mitchell
 - John Poynton

 - Mary Manos (Secretary)
- By invitation:**
- Lauren Harris
 - Alan McGregor (All Agenda Items other than Agenda Item 15)
 - Todd Nisbet (All Agenda Items other than Agenda Item 15)
 - John Salomone (All Agenda Items other than Agenda Item 15)
- Apologies:**
- Karl Bitar
 - Barry Felstead
- Minutes of Meeting:**
- Draft Minutes of Meeting of the Board held on 21 October, 2 November, 4 November, 11 November, 18 November and 19 November 2020 and Written Resolution dated 25 November 2020***
- It was **RESOLVED** that:
- the draft Minutes of the Board Meetings held on 21 October, 4 November, 18 November and 19 November 2020 be approved; and
 - the signed Minutes of the Board Meetings held on 2 November and 11 November 2020 and the Written Resolution dated 25 November 2020 be noted.

Draft Minutes of Annual General Meeting held on 22 October 2020

It was **RESOLVED** that the draft Minute of Annual General Meeting held on 22 October 2020 be approved.

Conflicts Register and Declaration of Interests:

The paper with respect to this item was taken as read.

Toni Korsanos requested that the list be updated to reflect her resignation from the Ardent Leisure Board with effect from 30 June 2020 and her appointment as Executive Vice Chair of Scientific Games.

Helen Coonan advised that she had resigned as Non-executive Director of the Australia Children's Foundation.

Matters Arising:

The Matters Arising paper was taken as read.

CEO's Update:

CEO's Report

The CEO's Report was taken as read.

Among other matters, Ken Barton noted the following:

- Crown Melbourne – Closure Costs at Crown Melbourne were approximately \$20 million a month, totalling approximately \$90 million for the five-month closure period. Gaming operations recommenced on 12 November 2020 with current the current gaming capacity limit of approximately 7,000 people, being 50% of licensed occupancy subject to a maximum of 1 person per 4 square metres.
- Crown Perth – Table Games and Electronic Table Games performance was strong, up 7% on the prior year. Non-gaming was also performing well however conventions remained soft.
- Corporate Costs – remained high particularly having regard to the number of regulatory matters currently on foot.

It was **RESOLVED** that the CEO's Report be noted.

Scenario Planning

The Scenario Planning paper was taken as read.

It was noted that the paper provides a high-level summary of three potential scenarios that may arise from the recommendations of the Inquiry and ILGA's subsequent findings, acknowledging that there may be a number of permutations to

the three scenarios depending on timing of certain actions and triggers.

The Board discussed the potential ramification of negative findings in the Commissioner's report on the Company's financing arrangements, noting that

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The Board requested that it be presented with a detailed scenario plan and that Helen Coonan, Jane Halton, Toni Korsanos and John Poynton be consulted in the scenario planning process.

Compliance and Governance Enhancements - Update

The paper with respect to this item was taken as read.

Ken Barton highlighted the items which had materially progressed.

Financial Summary

The Financial Summary paper was taken as read and it was **RESOLVED** that the Financial Summary be noted.

People and Culture Program

The paper with respect to this item was taken as read.

Jane Halton and Toni Korsanos noted that they would assist in progressing the development of the Board culture and setting the 'tone from the top'.

Australian Resorts Update:

Crown Melbourne

The Crown Melbourne paper was taken as read.

Andrew Demetriou provided the Board with an overview of matters considered at the 1 December 2020 Crown Melbourne Board meeting, including that the timing of the Recommendation 20 meeting was being considered and that feedback from Ministers regarding the re-opening of Crown Melbourne was positive.

Ken Barton advised the Board that consideration was being given to a proposal that Crown Melbourne provide a quarantine facility for Australian Open players and that a risk assessment was being undertaken of the proposal.

It was **RESOLVED** that Jane Halton be authorised to approve any proposed arrangement regarding the provision by Crown Melbourne of a quarantine facility for the Australian Open.

It was further **RESOLVED** that the Crown Melbourne CEO's Report be noted.

Crown Perth

The Crown Perth paper was taken as read.

John Poynton provided the Board with an overview of matters considered at the 3 December 2020 Crown Perth Board meeting, noting, among other matters, that:

- the impact on the business from Barry Felstead and Josh Preston's anticipated departure has been profound;
- additional capital expenditure would be required to remediate some wear and tear at Crown Perth; and
- the WA regulator had issued Crown Perth with a show cause notice on a minor matter.

It was **RESOLVED** that the Crown Perth CEO's Report be noted.

Crown Sydney

The Crown Sydney paper was taken as read.

Jane Halton provided the Board with an update on the recent meetings of the Crown Sydney Board, highlighting, among other matters, that the staff were progressing the proposed opening with good progress being made on rectification works where required and Crown Sydney was on track for its proposed soft opening.

It was **RESOLVED** that the Crown Sydney update be noted.

Other Businesses:

The Crown Aspinalls, Aspers, Betfair and DGN Reports were taken as read.

Among other matters, Ken Barton advised the Board of the following:

- Aspers was required to transition its transaction banking services from NatWest to Barclays as NatWest had made a policy decision to exit the gaming industry.

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AML/CTF Update:

The AML/CTF Update paper was taken as read.

It was noted that the Chairman and CEO were scheduled to meet with Nicole Rose on 10 December 2020 to update AUSTRAC on Crown's program of AML/CTF enhancements and to explain matters that arose during closing submissions in the ILGA Inquiry.

The meeting was adjourned at 11:05am for five minutes.

ILGA Inquiry Update (privileged and confidential):

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**Legal and Regulatory Update (privileged and confidential):**

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**Development Report:**

The Development Update was taken as read.

Among other matters, Todd Nisbet highlighted the following:

- Practical completion of the hotel components of Crown

Sydney was achieved on 7 December 2020.

- The 99 year Hotel Lease has been executed by both Crown and INSW as landlord with an effective date of 7 December 2020.

In relation to the proposed sale of 15-33 Kings Way, Southbank, it was **RESOLVED** that Ken Barton and Todd Nisbet be authorised to approve the final terms of the proposed sale on behalf of the Company.

It was also **RESOLVED** that the Development Update be noted.

Capital Management Update:

The Capital Management paper was taken as read.

Having regard to the Company's liquidity position, it was **RESOLVED** that the minimum liquidity buffer be temporarily amended from \$500 million to \$400 million until 30 June 2021.

Investor Relations Report:

The Investor Relations Report was taken as read.

Helen Coonan advised that she was scheduled to meet with a number of investors following the Board meeting and on 10 December 2020.

Toni Korsanos noted that the key areas of focus by investors is Crown's governance, suitability and culture.

The Board discussed investor concerns at length.

It was **RESOLVED** that the Investor Relations Report be noted.

Committees:

Corporate Responsibility Committee – Draft Minutes of Meeting held on 20 October 2020

Harold Mitchell noted that management was continuing to progress the Crown Sydney MoU commitments.

It was **RESOLVED** that the Draft Minutes of the Corporate Responsibility Meeting held on 20 October 2020 be noted.

Occupational Health and Safety Committee – Draft Minutes of Meeting held on 2 December 2020

It was **RESOLVED** that the Draft Minutes of the Occupational Health and Safety Committee Meeting held on 2 December 2020 be noted.

People, Remuneration and Nomination Committee – Written Resolution dated 13 November 2020

It was **RESOLVED** that the Written Resolution of the People, Remuneration and Nomination Committee Meeting held on 13 November 2020 be noted.

Risk Management Committee – Minutes of Meeting held on 20 October and Draft Minutes of Meeting held on 20 November 2020

Jane Halton noted that the Risk Management Committee was continuing to focus on the Company's risk framework and AML systems and processes, noting that the appointment of Steven Blackburn was a positive step for the Company.

It was noted that the Company was looking to enhance its risk-based metrics reporting.

It was **RESOLVED** that the Minutes of the Risk Management Committee Meeting held on 20 October 2020 and the draft Minutes of the Risk Management Committee Meeting held on 20 November 2020 be noted.

Responsible Gaming Committee – Minutes of Meeting held on 20 October 2020 and Draft Minutes of Meeting held on 2 December 2020

John Horvath noted that the Northern Territory Racing Commission wrote to all NT licensees (including Betfair) indicating that it was considering making changes to existing licence conditions which would require the operator to check that the debit/credit card used to deposit funds is in the customer's name and that there was a material patron issue at Crown Perth which was being addressed.

It was **RESOLVED** that the Minutes of the Responsible Gaming Committee Meeting held on 20 October 2020 and the draft Minutes of the Responsible Gaming Committee Meeting held on 2 December 2020 be noted.

Toni Korsanos advised that the Audit and Corporate Governance Committee met prior to the commencement of the Board meeting and that, having regard to Company's risk appetite and the administrative efficiencies in creating a GST Group for the Company's Australian resorts, the Committee resolved to recommend to the Board that:

- the Crown Perth entities cease to be members of the Betfair GST Group;
- the Crown Perth entities join the Crown Sydney GST Group; and
- further consideration be given to including Crown Melbourne into the Crown Sydney GST Group.

Having regard to the above, it was **RESOLVED** that:

- the Crown Perth entities cease to be members of the Betfair GST Group;
- the Crown Perth entities join the Crown Sydney GST Group; and
- further consideration be given to including Crown Melbourne into the Crown Sydney GST Group.

Other Business:

Insurance Renewal

The Insurance Renewal paper was taken as read.

Service Providers – F21

The paper with respect to this item was taken as read.

UBS Proposal

Ken Barton presented the Proposed UBS Engagement paper which was taken as read.

Having regard to the matters set out in the paper, it was **RESOLVED** that the appointment of UBS as financial adviser to the Company be approved and that the Chief Executive Officer and Company Secretary be authorised to negotiate, settle and execute the terms of the engagement.

Director Induction and Training

The Director Induction and Training paper was taken as read.

Mary Manos requested that the directors complete all training modules through their Crown Learn profile so that the Company can accurately record completion of the courses and offered directors to complete the online courses on site at one of Crown's properties.

Crown Group Subsidiary Annual Reviews

The paper with respect to this item was taken as read.

It was noted that:

- the Company's subsidiaries were required to pass annual solvency resolutions and that meetings of those companies would be held as part of the Board meeting; and
- the Company provide a letter of support to all of its Australian group entities in the form presented.

It was **RESOLVED** that any two directors or any one director and

secretary of the Company be authorised to execute the letter of support in the form presented to the Board and to issue the letter to each Crown Australian group entity.

Future Meeting Dates

The Board noted the future meeting dates.

John Poynton requested that, subject to COVID-19 travel restrictions, some Board meetings be scheduled to be held in Perth and Sydney.

"In Camera" Session:

People, Remuneration and Nomination Committee – Draft Minutes of Meeting held on 20 October and 2 December 2020

The draft Minutes of Meeting held on 20 October and 2 December 2020 were taken as read.

People, Remuneration and Nomination Committee matters

Harold Mitchell and Ken Barton provided the Board with an update on the proposed organisational structure, highlighting, among other matters the following:

- the proposed elevation of the compliance function with the recent appointment of Steven Blackburn;
- the proposed cessation of the CEO Australian Resorts and Chief Legal Officer Australian Resorts roles;
- the proposed oversight by the General Counsel and Company of the operational legal teams following the departure of the Chief Legal Officer; and
- the proposed appointment of a Head of People and Culture.

The Board discussed the proposed oversight by the General Counsel and Company Secretary of the operational legal teams and requested that this role be reviewed in early 2021 with an assessment to be made as to whether it would be more appropriate to divide this role into two separate roles, particularly having regard to the number of material legal and regulatory matters facing the Company.

The Board also discussed the progress of the discussions with Barry Felstead and Joshua Preston.

Mary Manos advised the Board that Barry Felstead had requested a number of amendments to the proposed separation agreement, including an obligation of non-disparagement from the directors.

The Board also discussed the proposed separation arrangement with Joshua Preston at length, including the proposed increase to

his notice period from six to nine months.

Mary Manos left the meeting.

The Board discussed the proposed remuneration increases for those roles which would be assuming additional responsibilities following implementation of the organisational restructure.

Having regard to the above and the recommendations from the People, Remuneration and Nomination Committee, it was **RESOLVED** that the following matters be approved:

- the draft organisational structure announcement be approved;
- the recommended adjustments to the TEC for senior executive roles as presented by the Chairman of the People, Remuneration and Nomination Committee; and
- the expanded role of the General Counsel and Company Secretary be considered in early 2021 to determine if it is in the best interests of the Company to split the roles.

It was further **RESOLVED** that:

- the Company treat Mr Felstead and Mr Preston as a "good leavers" for the purposes of the Company's Long Term Incentive Plan (the 'Senior Executive Incentive Plan'), as in force at the date of the Deeds of Separation;
- any two directors or any one director and secretary of the Company be authorised to negotiate and agree any non-material amendments and to execute the Deeds of Separation on behalf of the Company; and
- any one director and secretary be authorised and appointed, on behalf of the Company, to perform and do all acts and things as are necessary or desirable to give effect to each of the above resolutions.

Whistleblower Matters

The Whistleblower Matters paper was taken as read.

Ken Barton provided the Board with an update on the work undertaken with Todd Nisbet's top 10 direct reports which confirmed that while there was a pattern of aggressive behaviour, the conduct did not appear to constitute bullying and harassment with a formal report expected to be provided to the Company in the coming week.

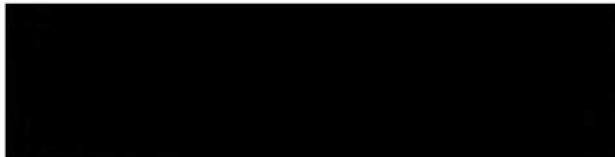
Other Business:

John Poynton recommended that the Chief Operating Officer titles be updated to Chief Executive Officer to assist in discussions with relevant State regulators.

It was **RESOLVED** that the Chief Operating Officer titles be updated to Chief Executive Officer.

Closure:

There being no further business, the meeting was declared closed at 1.45pm.



Chairman