



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

Meeting of the Board of Directors held by videoconference  
on Wednesday, 17 February 2021 at 10.00am

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- Present:**
- Helen Coonan (Chairman)
  - John Horvath (Deputy Chairman)
  - Jane Halton
  - Toni Korsanos
  - Harold Mitchell
  - John Poynton
- Mary Manos (Secretary) (All Agenda Items other than Agenda Item 19)
- By invitation:**
- Lauren Harris
  - Alan McGregor (All Agenda Items other than Agenda Item 19)
  - Todd Nisbet (All Agenda Items other than Agenda Item 19)
  - John Salomone (All Agenda Items other than Agenda Item 19)
  - Nick Stokes (Agenda Item 9 only)
  - Matthew Young (Agenda Items 1 to 8 (inclusive) only)
  - Nigel Morrison
  - Guy Foster (Allens) (Agenda Items 4 and 10 only)
  - Peter Haig (Allens) (Agenda Items 9 and 10 only)
  - Christopher Kerrigan (Allens) (Agenda Items 4 and 10 only)
  - Kelvin Barry (UBS) (Agenda Item 4 only)
  - Barry Sharkey (UBS) (Agenda Item 4 only)
  - Michael Tamvakologos (Seyfarth Shaw) (Agenda Item 19.1 only)
- Apologies:**
- Karl Bitar
- Opening Business:**
- Ms Coonan noted that Michael Johnston, Guy Jalland, Andrew Demetriou and Ken Barton had each recently resigned as directors of the Company.
- Ms Coonan welcomed Mr Morrison to the meeting as an observer, noting that his regulatory approvals were progressing.
- Mr Morrison noted that he had not been provided with a copy of

the Board papers for the meeting.

**Minutes of Meeting:**

*Draft Minutes of Meeting of the Board held on 9 December and 21 December 2020, 15 January, 28 January, 3 February, 9 February, 10 February, 12 February (5:00pm), 12 February 2021 (7:20pm)*

Ms Coonan advised the Board that, in relation to the 3 February 2021 minutes, REDACTED - PRIVILEGE

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It was **RESOLVED** that the draft Minutes of the Board Meetings held on 9 December and 21 December 2020, 15 January, 28 January, 3 February, 9 February, 10 February, 12 February (5:00pm) and 12 February (7:20pm) be approved.

**Conflicts Register and Declaration of Interests:**

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

**Matters Arising:**

The Matters Arising paper was taken as read.

**ILGA Inquiry:**

***Correspondence***

The ILGA Correspondence paper was taken as read and the Board noted the letters received from ILGA on 15 February 2021.

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Ms Coonan advised the Board that she was scheduled to meet with Mr Philip Crawford, Chairperson of ILGA, on Thursday, 18 February 2021, noting that he would be seeking an indication on Crown Sydney Gaming's suitability and that she had agreed in principle to a supervisory levy and to contribute to ILGA's costs associated with the ILGA Inquiry.

The Board discussed Crown Sydney Gaming's suitability, recognising that a number of key reform agenda item matters had progressed, including, among others, the appointment of Steven Blackburn, the cessation of relationships with junket operators and the cessation of the sharing of information with Consolidated Press Holdings Pty Limited.

It was noted that careful consideration would need to be given to the response to ILGA, in particular regarding Crown Sydney Gaming's present suitability in the context of the reform agenda items substantially underway or completed and other items, such as the forensic review of bank accounts.

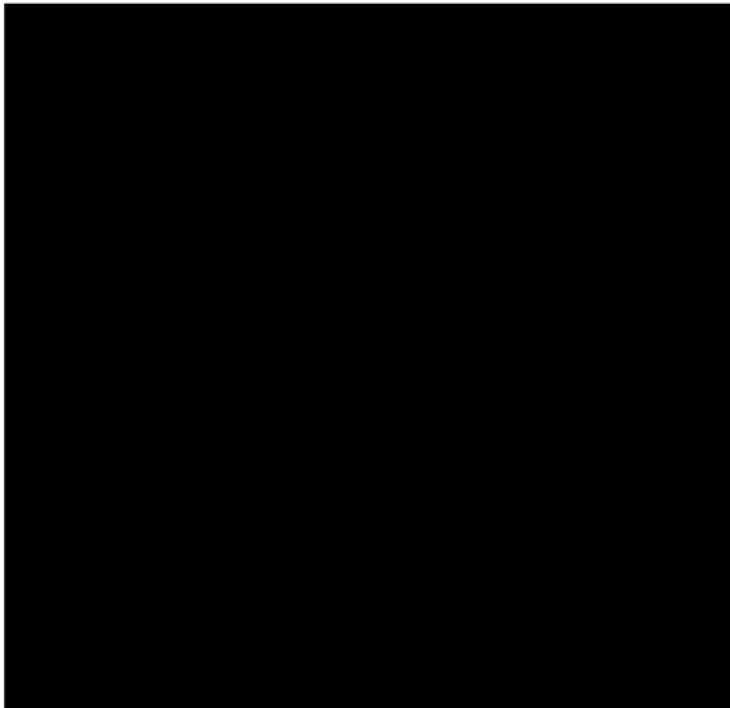
Mr Barry noted that the Commissioner's report in the ILGA Inquiry provides a pathway to suitability for the Company which has been viewed positively by the Company's financiers. In addition, Mr Barry advised the Board that, in addressing the matters identified by ILGA, it should seek to preserve longer term value when considering any concessions.

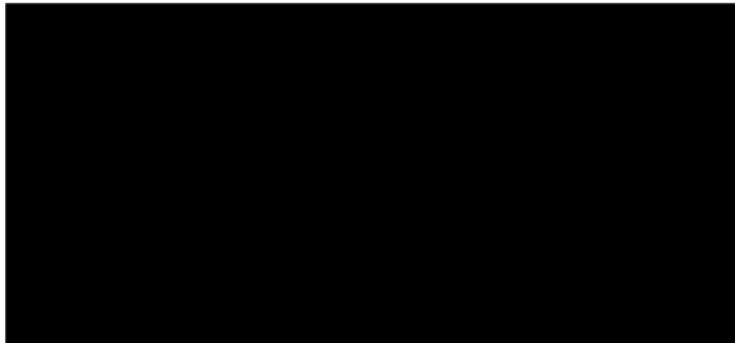
The Board discussed resourcing at length, noting that a partner from Allens may need to be seconded to the Company and that further consideration should be given to the Company's resourcing requirements.

It was noted that an additional Board meeting would be scheduled for the upcoming weekend.

***Action Plan Update***

The Update on Action Plan paper was taken as read.





**CEO's Update:**

***CEO's Report***

The CEO's Report was taken as read and it was **RESOLVED** that the CEO's Report be noted.

Ms Manos advised the Board that the Victorian Government had announced the easing of restrictions in Victoria and read the proposed draft announcement which was to be released to the ASX following approval by the Disclosure Committee.

Each member of the Disclosure Committee, being Ms Coonan, Ms Manos, Mr McGregor and Mr Nisbet confirmed their approval of the draft release for lodgement with the ASX.

***Financial Summary***

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

**Australian Resorts Update:**

***Crown Melbourne***

The Crown Melbourne paper was taken as read and it was **RESOLVED** that the Crown Melbourne CEO's Report be noted.

***Crown Perth***

The Crown Perth paper was taken as read.

Ms Manos advised the Board that Nick Kaldas had been engaged to undertake a review of the relationship between Claude Marais and Michael Connolly.

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

***Crown Sydney***

The Crown Sydney paper was taken as read.

Mr Nisbet noted that:

- There were three Crown Sydney hotel rooms with defects.

- Construction of the Crown Sydney residences was expected to be complete in April 2021 with access to back of house elevators to be available at the same time.

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

**Other Businesses:**

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

The meeting was adjourned at 12.30pm for 20 minutes.

**Results for the Half Year ended 31 December 2020:**

***Draft Results Presentation and ASX Announcement***

The draft ASX Announcement and Results Presentation were taken as read.

Mr McGregor requested that the Board provide any feedback to him or Ms Manos by the end of the day, noting that some changes would be required to reflect the recent developments, including the revised operating conditions at Crown Melbourne and the WA Royal Commission.

It was **RESOLVED** that the draft ASX Half Year Results Announcement and Presentation be approved for release (subject to any amendments suggested by the Board) and subject to final approval by the Executive Chairman.

***Draft Minutes of Meeting of Audit and Corporate Governance Committee held on 10 February 2021***

The draft Minutes of Meeting of the Audit and Corporate Governance Committee dated 10 February 2021 were taken as read.

It was **RESOLVED** that the draft Minutes of Meeting of the Audit and Corporate Governance Committee dated 10 February 2021 be noted.

***Accounting Issues***

The Accounting Issues Report was taken as read.

It was **RESOLVED** that the Accounting Issues Report be noted and the proposed accounting treatments and valuations referred to in that Report be approved.

***Interim Dividend Recommendation***

The Interim Dividend Recommendation paper was taken as read.

It was **RESOLVED** that an interim dividend not be declared, subject to final approval by the Reform Committee and receipt of the signed audit report from KPMG.

**ASX Appendix 4D**

The draft Appendix 4D was taken as read.

Mr McGregor advised the Board that the first version of the Appendix 4D uploaded to Diligent was marked up to show the changes made to the version presented to the Audit and Corporate Governance Committee at its 10 February 2021 meeting.

It was noted that an updated draft Appendix 4D had been uploaded to Diligent for the Board's consideration. Mr McGregor led a page turn of the revised Appendix 4D, highlighting, among other matters, the following:

- the result for the half year was impacted by COVID-19, in particular, at Crown Melbourne, with a net loss of \$121 million;
- the result includes closure costs incurred at Crown Melbourne and Crown Aspinalls of approximately \$58.1 million, net of tax;
- the result also includes a number of significant items, with the two main items being the Crown Sydney pre-opening costs and the one-off allowance for expected credit losses;
- the review of operations section is more fulsome than in previous Appendices 4D having regard to the operating conditions facing the business and ASIC's focus on these disclosures;
- the inclusion of a more fulsome note on expenses which was requested by KPMG and consistent with market practice; and
- the key matters disclosed in the contingent liabilities and related matters note.

In relation to the contingent liabilities and related matters note, Mary Manos advised that the AUSTRAC investigation disclosure had been prepared having regard to REDACTED - PRIVILEGE  
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It was also noted that KPMG had requested additional language regarding the recent letters received from ILGA, with the proposed wording for inclusion as follows:

*Following the release of the Inquiry Report, ILGA has indicated that it may require a number of things to be addressed through the consultation process which may have a financial impact on Crown that cannot yet be quantified.*

Ms Coonan advised that she was meeting with KPMG and Ms Korsanos following the Board meeting and would consider this with KPMG.

It was **RESOLVED** that the draft Appendix 4D be approved (subject to any amendments suggested in the meeting and agreed to by the Board) and subject to final approval by the Executive Chairman.

It was **RESOLVED** that, in the opinion of the Directors:

- the financial statements and notes of the consolidated entity for the half year ended 31 December 2020 are in accordance with the *Corporations Act 2001* (Cth) including that they:
  - give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and the performance for the half year ended 31 December 2020; and
  - comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001* (Cth); and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

It was further **RESOLVED** that any one director (**Authorised Director**) be authorised to make the above declarations for and on behalf of the Board and that the Authorised Director be authorised to sign the Directors' Report for and on behalf of the Board.

**AML/CTF Update:**

The AML/CTF Update paper was taken as read.

Nick Stokes provided the Board with an update on AML/CTF matters, including the progress of the risk assessment being undertaken by Promontory, noting that a draft was expected by the end of February, with the final report expected by mid-March.

The Board discussed the reviews being undertaken on current customers of Crown Melbourne and Crown Perth and Mr Stokes advised that checks have been completed and are being evaluated by the AML/CTF team.

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

The privileged and confidential Legal and Regulatory Update paper was taken as read.

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Ms Manos advised the Board that ASIC had requested that Riverbank Investments Pty Ltd and Southbank Investments Pty Ltd not be deregistered as those entities had formed part of the ASIC Section 30 review.

Ms Manos also advised the Board that ASIC had requested an update on the Company's variable remuneration governance arrangement enhancements implemented since ASIC provided Crown with feedback in June 2020 following the Company's participation in the Corporate Governance Taskforce review which the Executive Chairman responded. It was noted that the response was included in the paper with respect to this item. In addition, ASIC had requested information regarding the separation arrangements for Mr Barton and Mr Felstead, with a response due by Friday, 19 February 2021.

**Development Report:**

The Development Update was taken as read.

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

**Treasury and Compliance Update:**

The Treasury and Compliance paper was taken as read.

It was also **RESOLVED** that the Treasury and Compliance paper be noted.

**Investor Relations Report:**

The Investor Relations Report was taken as read.

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

**Committees:**

***Committee Schedule Update***

The Committee Schedule Update paper was taken as read.

***Committee and Subsidiary Board Composition***

The paper with respect to this item was taken as read and the Board noted the proposed amendments to the Committee composition and subsidiary Board composition and **RESOLVED** that:

- the dissolution of the Corporate Responsibility Committee be approved with the human resources aspects of that Committee to be assumed by the People, Remuneration and Nomination Committee and the environmental and sustainability aspects of that Committee to be assumed by the Occupational, Health and Safety Committee;
- the Occupational, Health and Safety Committee be renamed



to the Safety and Sustainability Committee;

- the revised Committee memberships be approved as presented to the Board;
- Toni Korsanos be authorised to approve the revised Charters of the People, Remuneration and Nomination Committee and the Safety and Sustainability Committee, with the Charters to be presented to the Board for noting at the next standing Board meeting; and
- the proposed changes to the composition of the Company's subsidiary and associate Boards be endorsed.

***Audit and Corporate Governance Committee – Draft Minutes of Meeting held on 9 December 2020***

It was **RESOLVED** that the Draft Minutes of the Audit and Corporate Governance Committee Meeting held on 9 December 2020 be noted.

***People, Remuneration and Nomination Committee – Draft Minutes of Meeting held on 5 February 2021***

It was **RESOLVED** that the Draft Minutes of the People, Remuneration and Nomination Committee Meeting held on 5 February 2021 be noted.

**Risk Matters:**

***Update on VIP***

The Overseas Sales Team Update paper was taken as read.

Mr McGregor advised the Board that one VIP Sales Team employee had engaged Maurice Blackburn to assist in the negotiation of her separation arrangements.

In relation to Jenny Jiang, the Board requested that this negotiation be expedited.

***Risk Assessment Scoping***

The Overseas VIP Risk Assessment paper was taken as read.

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Jane Halton noted that she would review the Risk Scope and would provide her comments separately.

It was **RESOLVED** that the Risk Scope be approved subject to any feedback received from the directors and that the results of the

assessment be presented to the Risk Management Committee for consideration.

**Review of Policies:**

The Review of Policies paper was taken as read and the Board noted the proposed amendments to the Continuous Disclosure, Securities Trading and Whistleblower Policies.

Ms Manos advised that, if the updates to the Securities Trading Policy were approved, a copy of the revised policy would need to be lodged with the ASX following the conclusion of the Board meeting.

Having reviewed the revised Company policies, it was **RESOLVED** that the policies be updated in the form presented to the Board and published on the Crown Resorts website.

It was further **RESOLVED** that the revised Securities Trading Policy be released to the ASX following the conclusion of the meeting.

**Review of Charters:**

The Review of Charters paper was taken as read.

It was noted that the review of the Board Charter would be deferred to a future meeting.

Having reviewed the Charters, it was **RESOLVED** that the Audit and Corporate Governance and People, Remuneration and Nomination Committee Charters be updated in the form presented to the Board and published on the Company's website.

**Other Business:**

***ETS Update and ACOSH correspondence***

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

The Board discussed the Company's ETS strategy and requested that a detailed implementation plan to phase out smoking be presented to the Board for consideration at a future meeting.

***Corporate Responsibility Report***

Ms Manos advised that the 2020 Corporate Responsibility Report was ready for publication however, following the release of the ILGA Inquiry report, some of the content was now outdated and Mr Bitar had advised against publishing the Report in its current form. It was noted that further consideration would be given to the publication of this Report or some of its content.

***Legal and Secretarial Function***

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

Ms Coonan presented the paper, noting that, having regard to the

focused advice which would be required to assist Crown in response to the ILGA Inquiry Report together with the pipeline of legal and regulatory matters facing the company, the role of General Counsel and Company Secretary would be split into two standalone functions.

Ms Manos presented the proposed new structure for the legal function and the secretarial function.

Mr Mitchell noted that a detailed paper on the proposed separation arrangements for Ms Manos was presented at Agenda Item 19.1.

Having regard to the matters set out in the paper, it was **RESOLVED** that:

- the role of General Counsel and Company Secretary cease with effect from the earlier of the appointment of an alternative Company Secretary and 31 March 2021 (or such other date to be agreed);
- recruitment of a new General Counsel and Special Counsel Disputes and Regulatory be progressed; and
- appropriate exit arrangements for the General Counsel and Company Secretary be progressed.

#### ***Director Induction and Training***

The Director Induction and Training paper was taken as read.

Ms Manos emphasised the importance of the directors completing the online training modules through the Crown Learn portal.

#### ***Political Donations Policy***

The Political Donations Policy paper was taken as read.

The Board discussed the proposal to cease to donate to political parties noting that a detailed analysis on the prohibited activities would be required to be undertaken and presented to the Board for consideration at a future meeting.

#### ***Future Meeting Dates***

The Board noted the future meeting dates.

#### ***“In Camera” Session:***

#### ***Senior Executive Changes***

The Senior Executive Changes paper was taken as read.

Mr Mitchell presented the paper to the Board, noting that there were three items for consideration, being:

- the separation arrangements for Ms Manos;
- the appointment of a Company Secretary; and
- the consultancy arrangement for Mr Barton.

Mr Mitchell also noted the recent information request from ASIC regarding Mr Barton and Mr Felstead's separation arrangements.

In relation to the separation arrangements for Ms Manos, Mr Mitchell outlined the proposed payments, including the ex gratia payment of [REDACTED] for past services provided by Ms Manos to the Company, in particular, to recognise the strong support that Ms Manos had provided to Crown in her tenure as Crown's General Counsel and Company Secretary. It was also noted that the Company was proposing to continue to access Ms Manos' knowledge and expertise for a period of six months under a consultancy arrangement, which would be required in the context of the legal and regulatory matters currently on foot.

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The Board discussed the proposed appointment of Ms Coonan as secretary of the Company, noting that it is unusual for the Executive Chairman to also act as secretary. It was proposed that Ms Korsanos ask Mr McGregor if he would consent to act as secretary of the Company on an interim basis until a permanent secretary was appointed.

Ms Coonan provided feedback on the proposed draft ASX release and requested that it be refined and that she be authorised to approve the final version.

Having regard to the above and the matters set out in the paper with respect to this item, it was **RESOLVED** that:

- entry into a Deed of Separation with Ms Manos is in the best interests of the Company;
- the Deed of Separation on terms presented and agreed by the Board (subject only to any further non-material changes) be approved;
- Ms Coonan be authorised to approve the ASX release and that it be released to the ASX promptly following execution and exchange of the Deed of Separation;
- that Alan McGregor be appointed as secretary of the Company subject to:
  - entry by the Company into the Deed of Separation with Ms Manos;
  - receipt by the Company of a signed consent to act from Mr McGregor; and
  - the receipt by Mr McGregor of all necessary regulatory approvals;
- entry into a short term consultancy with each of Ms Manos and Mr Barton (**Consultancy Agreements**) is in the best interests of the Company;
- each Consultancy Agreement on terms presented to and agreed by the Board (subject only to any further non-material changes) be approved;
- any two directors or any one director and secretary of the Company be authorised to execute the Deed of Separation and the Consultancy Agreements on behalf of the Company; and
- any director or secretary of the Company be authorised to take such further acts as may be necessary or contemplated by the Deed of Separation or the Consultancy Agreements.

**Executive Chairman Arrangements**

Ms Coonan left the meeting and Professor Horvath was appointed as acting Chair.

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

Mr Mitchell presented the advice from Egan Associates, noting the recommendation that the Executive Chairman continue to receive her current fee of \$700,000 per annum for her role as Chairman and an additional fee of \$1.8 million per annum for her role as the principal executive, or CEO equivalent, until a new CEO is appointed.

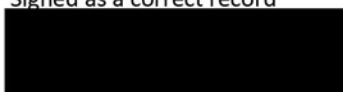
It was also noted that Ms Coonan would potentially need to step down from a number of her current appointments on accepting the Executive Chairman role.

Having regard to the Egan Associates recommendation, it was **RESOLVED** that, subject to the agreement of Ms Coonan, Ms Coonan be paid additional remuneration of \$1.8 million per annum, bringing her total remuneration to \$2.5 million per annum while in the role of Executive Chairman.

**Closure:**

There being no further business, the meeting was declared closed at 3.20pm.

Signed as a correct record



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Chairman