



Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held on Wednesday, 12 June 2019 at
10.00am at M7&8, Crown Promenade, 8 Whiteman Street,
Southbank, Victoria

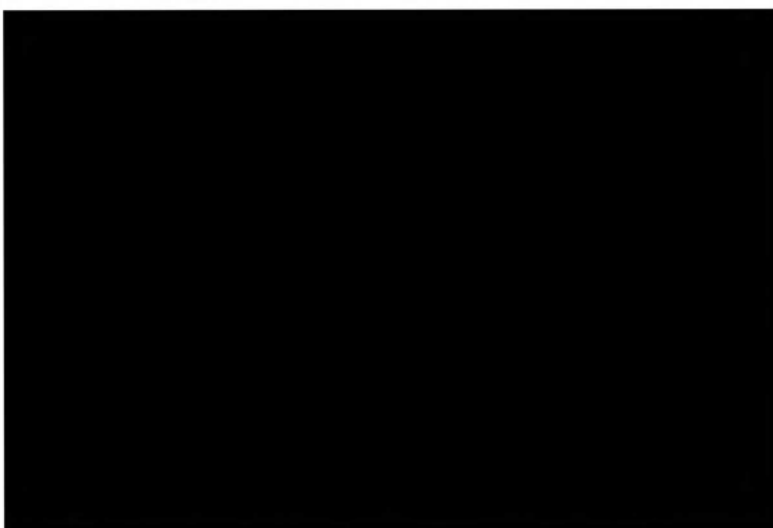
Present:	<p>John Alexander (Chairman) Helen Coonan Andrew Demetriou Geoff Dixon Jane Halton John Horvath Guy Jalland (All Agenda Items other than Agenda Item 6.2) Michael Johnston Toni Korsanos Harold Mitchell John Poynton (by telephone)</p> <p>Mary Manos (Secretary) (Agenda Items 1 to 14 only)</p>
By invitation:	<p>Ken Barton (Agenda Items 1 to 14 only) Karl Bitar (Agenda Items 1 to 14 only) Barry Felstead (Agenda Items 1 to 14 only) Lauren Harris (Agenda Items 1 to 14 only) Alan McGregor (Agenda Items 1 to 14 only) Richard Murphy (MinterEllison) (Agenda Items 6.3 and 7 only) Todd Nisbet (All Agenda Items other than Agenda Items 6.2 and 15) Josh Preston (Agenda Items 6.3 and 7 only) Glen Ward (MinterEllison) (Agenda Items 6.3 and 7 only)</p>
Apologies:	<p>Mark Arbib</p>

BUSINESS

Minutes of Meeting: It was **RESOLVED** that the draft Minutes of the Board Meeting held on 17 April 2019 be approved and that the Written Resolutions of the Board dated 10 May 2019 be noted.

Matters Arising: The Matters Arising paper was taken as read.

Trading Update: Ken Barton spoke to the Trading Update to 9 June 2019 for the Group noting that:



Ken Barton and Barry Felstead also advised the Board of the Star Entertainment Group Limited's (the **Star**) recent trading and earnings update noting that the Star expects F19 normalised EBITDA to be in the range of \$550-560 million which was approximately 8% below analyst consensus and below the Star's F18 EBITDA of \$568 million following a slow-down in domestic revenue. It was noted that the Star's share price fell by approximately 16% following the trading update announcement.

The Board discussed the Star's trading update and its proposal to cut 400 jobs in detail.

The Board also noted the statements regarding the VIP business made by Lawrence Ho following Melco Resorts & Entertainment Limited's announcement that it had agreed to acquire a 19.9% interest in the Company.

Barry Felstead provided the Board with an overview of a number of initiatives at Crown Melbourne and Crown Perth as set out in the Trading Update.

Barry Felstead also advised the Board that there had been three recent patron removals by security that resulted in two patrons becoming unconscious and one patron requiring CPR. It was noted that two of the patrons were in a drug induced state at the time of the removal and internal reviews of the three removals were undertaken and Victoria Police had also reviewed the

removals with the results of the reviews confirming that all internal procedures were properly followed. In addition, the footage from each removal had been sent to Brian Lee – GM Security & Surveillance Crown Perth – for the purposes of undertaking an additional review.

The Board discussed the removals in detail and the procedures currently in place to identify inappropriate behaviour at the Company's Australian Resorts including perimeter security and responsible service of alcohol procedures.

It was **RESOLVED** that the Trading Update be noted.

Crown Resorts Limited Four Year Financial Plan (F20 to F23) and F20 Budget:

The Crown Resorts Limited Four Year Financial Plan (F20 to F23) and F20 Budget presentation (the **Presentation**) was taken as read.

Ken Barton spoke to the Presentation, noting, among other matters, the following:

- With the VIP business and Local Tables having been challenged recently and the near term macro-economic outlook, the Company is not expecting to see much upside over the next few years.
- Having regard to the anticipated weakness, management is proposing to focus on key initiatives to drive growth over the life of the plan as set out in the Presentation.
- Planning for the opening of Crown Sydney is well underway.
- Following the last meeting of the Board, management considered whether the proposed ballroom at Crown Sydney should be converted to additional gaming space prior to opening and, having regard to the timing of all required approvals and planning consents, the preferred course of action is to continue with the currently proposed ballroom space.
- Discussions are continuing with the prospective buyer of Crown Aspinalls, with the business expected to achieve approximately A\$6 million EBITDA in F19.
- Betfair is expected to exceed budget for F19 and it is anticipated that the business will continue to grow over the life of the plan.
- DGN saw growth in F17 and F18 and, with growth slowing in F19, DGN was considering introducing a third product to drive growth over the life of the plan.
- The plan assumes that no short term incentive payments will be made in respect of F19 and F20.

The Board discussed a number of the Company's other assets and investments, including Aspers, Capital Club, Chill Gaming and Nobu.

The Board also discussed the forecast EBITDA in detail, in particular, in respect of F20 and F21, and asked questions of management in respect of the expected challenged macro-economic environment, noting that the plan is very cautious.

Management highlighted that while spend per visit had been down, the Company had not been losing market share and advised the Board that it would continue to consider whether there were any further initiatives to drive growth and would present any such initiatives to the Board.

The Board requested that, at its next meeting, it be presented with an upside sensitivity analysis of the plan for improved macro-economic conditions and further detail in relation to the current macro-economic conditions which are impacting performance.

It was **RESOLVED** that the F20 Budget be approved and the Four Year Financial Plan (F20-F23) be adopted, in the forms presented to the Board.

It was also **RESOLVED** that the key growth initiatives, as presented to the Board, be approved and that management be authorised to implement and progress each initiative.

CEO's Report:

The CEO's Report was taken as read.

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

Litigation Update (privileged and confidential) :

Crown Sydney Sight Lines

The Crown Sydney Sight Lines paper was taken as read.

The Chairman advised the Board that the Company and Lendlease had been invited to meet with Infrastructure NSW, noting that the Company had provided the Barangaroo Delivery Authority (**BDA**) with a revised plan for Central which retains Crown Sydney's sight lines to the Sydney Harbour Bridge and the Opera House.

REDACTED - PRIVILEGE

Tax Matters

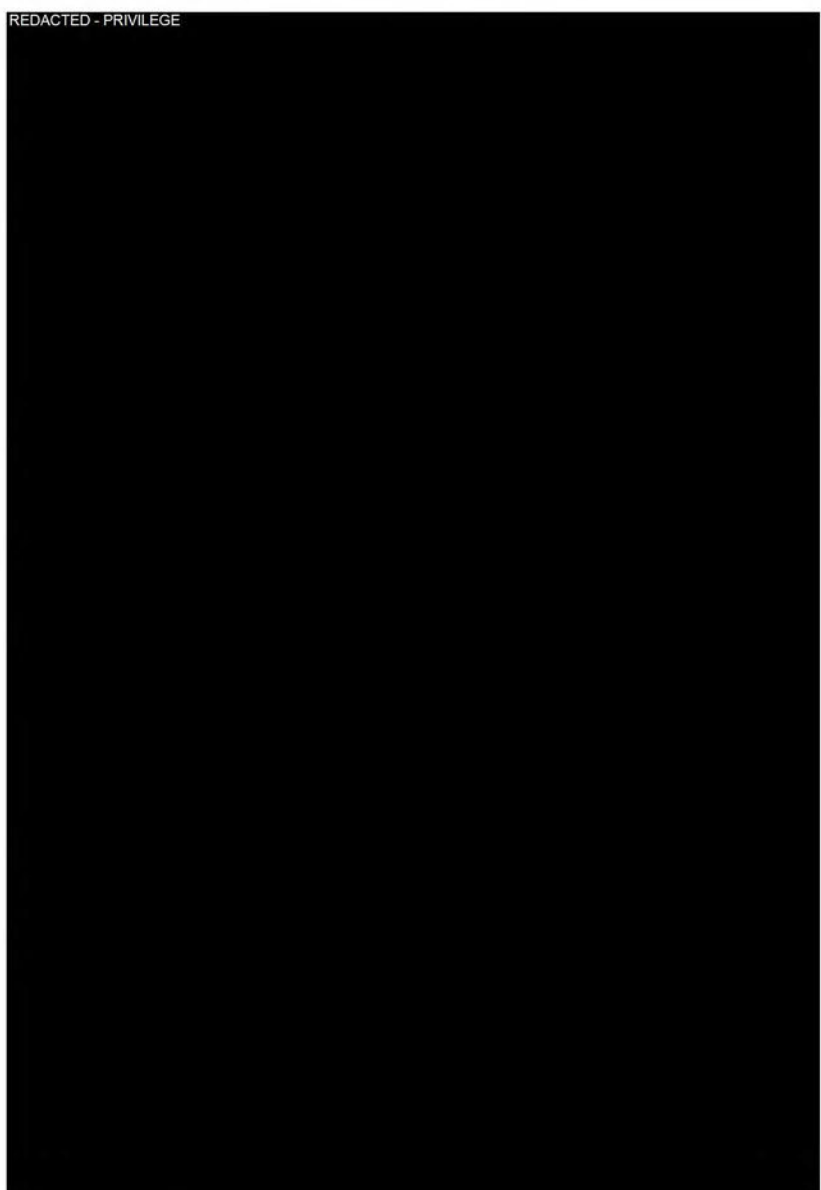
The GST matter update was taken as read.

REDACTED - PRIVILEGE



Class Action Update

REDACTED - PRIVILEGE



REDACTED - PRIVILEGE



China Matter Update:

REDACTED - PRIVILEGE



REDACTED - PRIVILEGE



CPH Sale of Shares:

This matter was deferred for discussion in the "In Camera Session".

Development Update:

The Development Update was taken as read.

Crown Sydney

Among other matters, Todd Nisbet highlighted the following:



- the fit out of the South facing residences was advancing to try and achieve a better yield on the sales of those residences; and
- completion of the project remains on schedule

One Queensbridge

In relation to One Queensbridge, Todd Nisbet advised the Board that Schiavello had not considered the revised planning scheme.

The Board discussed the revised planning scheme and noted that the project is likely to be more strategic for the Company than for Schiavello. The Board considered whether it would be in the best interests of the Company to take complete ownership of the land in order to progress with the development and requested that management determine whether Schiavello would be interested in selling its interest in the land to the Company.

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

Investor Relations Report:

The Investor Relations Report was taken as read.

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

Minutes of Meeting of Committees:***Draft Minutes of Meeting of the Risk Management Committee***

The draft minutes were taken as read.

It was **RESOLVED** that the draft minutes of meeting of the Risk Management Committee held on 8 May 2019 and 29 May 2019 be noted.

Draft Minutes of Meeting of the Responsible Gaming Committee held on 29 May 2019:

The draft minutes were taken as read.

It was **RESOLVED** that the draft minutes of meeting of the Responsible Gaming Committee held on 29 May 2019 be noted.

John Horvath noted that an additional meeting of the Responsible Gaming Committee was scheduled to be held following the Board meeting to consider the Company's draft responses to the VCGLR's section 25 review responsible gaming recommendations with a due date of 1 July 2019.

Draft Minutes of Meeting of the Occupational Health and Safety Committee held on 29 May 2019:

The draft minutes were taken as read.

It was **RESOLVED** that the draft minutes of meeting of the Occupational Health and Safety Committee held on 29 May 2019 be noted.

Geoff Dixon advised the Board that a meeting of the Nomination and Remuneration Committee was held prior to the Board meeting to consider the short term incentive key performance objectives and their weightings for the Company's key management personnel. It was noted that the Committee suggested a number of weighting adjustments to the scorecards and also requested that John Egan from Egan Associates be engaged to review the proposed scorecards for the key management personnel.

Risk Management Committee Matters:

Risk Management Strategy

The Risk Management Strategy paper and the draft Risk Management Strategy were taken as read.

Mary Manos advised the Board that the Risk Management Committee had considered and recommended a draft Risk Management Strategy for approval by the Board, noting that the Risk Management strategy formalises the fundamental expectations of the Board in relation to the key elements of the Company's risk framework.

Having regard to the draft Risk Management Strategy, it was **RESOLVED** that the Risk Management Strategy be approved in the form presented to the Board.

Delegations Policy

The Delegations Policy paper and the draft Delegations Policy were taken as read.

Mary Manos advised the Board that:

- the Risk Management Committee had considered and recommended a draft Delegations Policy for approval by the Board;
- the proposed Delegations Policy requires approval of the Board for transactions or commitments with a total value of \$10 million or greater; an annual value of \$5 million or greater; or a term of greater than five years;
- the Risk Management Committee requested that it be provided with a register of executed contracts at each of its meetings with a value of between \$5 million and \$10 million to monitor the change in delegation; and
- Crown Melbourne and Crown Perth had adopted the same Delegations Policy.

Having regard to the above, it was **RESOLVED** that the Delegations Policy be approved in the form presented to the Board.

ASX Corporate Governance Principles and Recommendations:

Review of Charters

The Review of Charters paper was as read.

Mary Manos advised the Board that the Board Charter and the Risk Management Committee Charter were reviewed having regard to the fourth edition of the ASX Corporate Governance Principles and Recommendations with updates proposed as set out in the paper with respect to this item.

Having considered the proposed amendments to the Board Charter and the Risk Management Committee Charter, it was **RESOLVED** that the revised charters be approved in the form presented to the Board.

Company Values

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

Mary Manos advised the Board that the Crown Melbourne and Crown Perth Human Resources teams, in partnership with the Executive of both properties, embarked on a journey to create a purpose and set of values for Crown's Australian Resorts and that these values were being recommended for adoption by the Company, noting that adopting a set of values was a new recommendation in the fourth edition of the ASX Corporate

Governance Principles and Recommendations.

It was **RESOLVED** that:

- the purpose and values, in the manner presented to the Board, be adopted by the Company and published on the Company's website and the websites of each of its Australian resorts; and
- the rollout of the purpose and values, in the manner presented to the Board, is to commence at Crown Melbourne and Crown Perth (and Crown Sydney when applicable).

Other Business:

Political Donations Policy

The Political Donations Policy paper was taken as read.

Mary Manos reminded the Board that, in November 2018, changes to the laws regarding the making of political donations in Victoria commenced with a \$4000 cap imposed on the amount a donor may make to any one political party within an election period and that the Board approved an embargo on the making of political donations in Victoria and at a Commonwealth level while legal advice was being sought on the application of the revised legislation.

REDACTED - PRIVILEGE



Directors were reminded that they are absolutely prohibited from making political donations in NSW.

It was **RESOLVED** that the Political Donations Policy, as presented to the Board, be approved and the embargo on the making of political donations in Victoria be lifted with effect from 1 July 2019.

2019 Annual General Meeting

The 2019 Annual General Meeting paper was taken as read.

Mary Manos noted that, while no decision of the Board was necessary at this point in time, management had presented two potential items of business for the Company's Annual General Meeting for consideration by the Board.

Deed of Cross Guarantee

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

It was noted that:

- the Company is a party to a Deed of Cross Guarantee dated 21 June 2017 entered into pursuant to ASIC Instrument 2016/785 (the **Deed of Cross Guarantee**); and
- Crown Digital Holdings Pty Ltd will be required to obtain relief under ASIC Instrument 2016/785 for the 2019 financial year and it is therefore proposed that the Company enter into an assumption deed to add this Crown Group entity to the Deed of Cross Guarantee (the **Assumption Deed**).

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

- it is for the benefit of the Company to execute the Assumption Deed;
- any two directors or a director and secretary of the Company be authorised to execute the Assumption Deed; and
- each of the directors and secretary are separately authorised to take all steps necessary and to execute and lodge with ASIC such forms and documents as are necessary or desirable to give effect to the above resolutions.

Crown Perth Board Composition

The Crown Perth Board Composition paper was taken as read.

Mary Manos advised the Board that Tim Roberts had resigned as a director of Burswood Limited and that Maryna Fewster had been appointed as a director of Burswood Limited subject to the receipt of all necessary regulatory approvals.

Crown Resorts Foundation 5th Anniversary

Mary Manos advised the directors that they were invited to attend the Crown Resorts and Packer Family Foundations' 5th anniversary events which were scheduled to be held in August 2019.

Future Meetings

The Board noted the future meeting dates.

The meeting was adjourned at 1.20pm while a meeting of the Company's Responsible Gaming Committee was held. The meeting reconvened at 1.25pm.

"In Camera" Session:

The Executive Chairman and the non-executive directors met in the absence of management.

CPH Share Sale

Representatives of Consolidated Press Holdings addressed the Board in relation to the sale of Company shares to Melco Resorts and Entertainment.

Draft internal VCGLR China Investigation document

The Board noted the seriousness of the matters the subject of the draft internal VCGLR China Investigation document. It was further noted that a number of communications and occurrences referred to in the draft document had not been brought to the attention of relevant Board Committees or the relevant Boards.

The Board requested that the Executive Chairman continue to liaise with management, particularly in the context of the recently formalised Board Risk Appetite, to ensure that matters which may be relevant to be considered are appropriately escalated.

Review of the Crown organisational/management structure

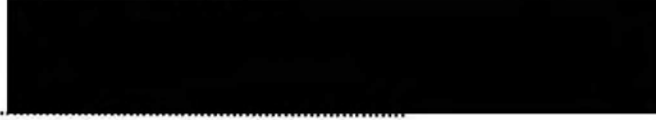
The Board noted that the Company's strategic focus, as articulated in the Four Year Financial Plan, was on its core Australian assets. It was noted that prior to Wynn approach, the Board had considered requesting that management commence a review of the Crown organisational/management structure to ensure that it remains appropriate for the Company's strategic focus but that processes had been suspended pending consideration of the Wynn offer.

The Board resolved that the process should recommence, under the guidance of the Chair of the Nomination and Remuneration Committee (Geoff Dixon) and the Executive Chairman, and that they report back to the Board on progress at the next meeting. The Board considered that it would be appropriate to appoint Mr John Stuckey, former Managing Partner of McKinsey Australia to assist Geoff Dixon with this process and that Mr Dixon also consider seeking interest from a number of recruitment companies in Australia should that review and the Board determine that changes to management structure are appropriate.

Closure:

There being no further business, the meeting was declared closed at 2.10pm.

Signed as a correct record



Chairman