



Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held on Monday, 10 August 2020
at 1.30pm by videoconference

Present:

Helen Coonan (Chair)
John Horvath (Deputy Chair)
John Alexander
Ken Barton
Andrew Demetriou
Jane Halton
Guy Jalland
Michael Johnston
Toni Korsanos
Harold Mitchell
John Poynton

Mary Manos (Secretary)

By invitation: Lauren Harris

RESTRICTED AGENDA

Opening Business:

Helen Coonan thanked the directors for making themselves available at short notice for the Company's strategic planning session.

Ms Coonan advised that the purpose of the meeting was to:

- identify possible actions that the Company could take in order to enhance its risk and compliance frameworks and to appropriately address key matters raised by the Commissioner of the ILGA Inquiry; and
- consider an appropriate means of communicating any actions taken by the Company.

ILGA Inquiry – Hearing Update:

The privileged and confidential memorandum was taken as read.

Ms Coonan advised the Board that she had instructed MinterEllison, through Mary Manos, to prepare a note outlining the counsel team's perspectives and recommendations emerging from the latest round of public hearings at the ILGA Inquiry, as presented to the Board at its 5 August 2020 meeting.

Mary Manos reminded the directors of the application of legal professional privilege in the context of the ILGA Inquiry.

Strategic Planning:

Ken Barton advised the Board that:

- on 19 August 2020, Crown Aspinalls and DGN were each advised that their respective banks would be closing their transactional bank accounts;
- following the recent ILGA Inquiry hearings, the AML team had commenced a review of processes associated with cash deposit transactions and that a third-party expert would be engaged to assist with an audit of those transactions and related AML processes; and
- he had clarified with Neil Jeans that the scope of Initialism's review in 2019 focused on the Company's transaction monitoring program associated with the exchange of cash for chips and did not extend to cash deposits into bank accounts.

The presentation prepared by Ken Barton setting out a series of recommendations was taken as read.

The Board discussed the matters contained in the presentation in detail and the proposed actions presented by Mr Barton. The various implemented actions particularly in the areas of AML and Junket operations as described in the report which had been taken by the Company were noted.

AML

The Board considered and discussed the proposed future actions, as set out in the presentation.

In relation to the proposed appointment of a dedicated AML compliance officer, having regard to the credentials required for the role, it was **RESOLVED** that the Company commence a recruitment process for the role which will report directly to the Board and that a review be undertaken of the current level of resourcing in the AML team.

It was noted that each director would be requested to complete the Company's Anti-Money Laundering online training module.

Junkets

The Board considered the proposed future actions as set out in the memorandum.

The Board considered that it would be appropriate to suspend all junket relationships while a comprehensive review of those relationships was being undertaken.

Guy Jalland requested that the directors be provided with additional information in relation to the proposed enhanced due diligence processes referred to in the presentation and a comparison of the Company's current junket due diligence processes against The Star Entertainment Group Holdings Limited's processes and the observations made by the Commissioner and counsel assisting the ILGA Inquiry.

The Board noted that prior to the China detentions consistent with then market practice the Company had a 'proactive sales culture' which was subsequently wound back.

It was **RESOLVED** that subject to final approval by the Chairman, the Company:

- suspend all junket relationships; and
- undertake a comprehensive review of junket relationships.

It was noted that the Deloitte report on the Company's junket approval processes had advanced and would be considered by the Board when appropriate to ensure that its scope remains appropriate and sufficiently detailed.

People and Culture

Ken Barton outlined the first, second and third lines of defence as set out in the presentation and presented the proposed organisational structure to the Board.

The Board noted the importance of setting the tone from the top and recommunicating and reinforcing the Company's values.

The Board indicated its in principle support of the proposed changes to organisational structure in the form presented, subject to the following changes:

- separation of the Risk and Internal Audit functions ie the second and third lines of defence; and
- the Head of HR be expanded to play a strategic role in enhancing the culture of the organisation.

Organisational Structure

The Board also discussed the proposal presented which would involve the collapse of subsidiary boards and committees.

Having regard to the intended role of the subsidiary boards and the advocacy role of their respective Chairmen, it was **RESOLVED** that further iterations of the proposal be developed for consideration by the Board.

Helen Coonan requested that the Company seek advice in relation to the appropriate ways in which adopted further governance enhancements should be communicated to stakeholders.

Jane Halton advised the Board that, at the Risk Management Committee meeting which was scheduled to be held on 12 August 2020, she was proposing to recommend some amendments to the Company's Risk Appetite to address some of the areas of concern demonstrated by the Commissioner in the ILGA Inquiry.


Other Business:

The directors discussed the preparation for the Recommendation 20 meeting with the VCGLR.

Closure:

There being no further business, the meeting was declared closed at 3.36pm.

Signed as a correct record



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Chair