



AUDIT & CORPORATE GOVERNANCE COMMITTEE

Meeting of the Committee

Thursday, 23 January 2020 at 11.00am

By Teleconference



Audit & Corporate Governance Committee

Meeting of the Committee to be held on Thursday, 23 January 2020
at 11.00am by teleconference

Attendees

Committee: Helen Coonan (Chair)
Mike Johnston
Toni Korsanos

Mary Manos (Secretary)

RESTRICTED AGENDA

1. [Chairman's Expenses](#)



Audit and Corporate Governance Committee

Memorandum

To: Audit and Corporate Governance Committee

From: Michael Johnston

Date: 22 January 2020

Subject: Executive Chairman's Expenses

Dear Committee Members

You will recall the Audit Committee is tasked with approving the Executive Chair/CEO's expenses and benefits.

John Alexander currently has six expense claims outstanding totalling \$92,135.20 for the six months to 5 December, 2019. The Committee had earlier requested that I review the reasonableness of these claims and make a recommendation to the Committee.

Having reviewed the expense claims, my view is that all outstanding claims should be settled with the exception of the costs relating to John's stay at the Establishment Hotel in Sydney totalling (\$9,890). John had claimed these on the basis that he no longer resided in Sydney and was required to travel to Sydney to perform his executive functions. In my view, as John resided in Sydney when he commenced his role and there was no contemplation of that changing in his agreement, these costs resulting from his decision to sell his home in Sydney should be to his account not Crown's. I have discussed this with John and he has agreed with my position.

I was also asked to look at the appropriateness of free rooms provided on authority of the Chairman to various parties. The company has traditionally had a policy of providing complimentary hotel rooms through the Chairman's Office to persons who have commercial dealings with Crown or significant tenants within Crown's properties or where the provision of the room may be considered by the Chairman to promote Crown's broader business interests. Historically the Chairman has exercised the judgement in relation to these matters.

I reviewed the list of comped rooms and queried a number of instances and was provided a written explanation on each by the Chairman. Whilst different minds can ultimately come to a different view on whether particular instances meet these criteria, I am satisfied on balance that the Chairman considered that the provision of the complimentary hotel rooms, with the exception of two items listed below, were justified in accordance with the above criteria. The two exceptions are:

- De Lurdes Silva Cavades (John's housekeeper) \$1,496.36
- Mrs Kathryn Miller (John's sister) \$713.64.

John has agreed to reimburse the company for these costs as part of his termination arrangements.

Because of the potential for a difference of opinion on such matters, I think on a go forward basis, rooms comped (provided for free) through the Chairman's Office not on recommendation of the VIP business, should require the prior approval of both the Chairman and at least one member of the Audit Committee.

I would propose that this Committee resolve as above.

Kind Regards

Michael Johnston
Director, Crown Resorts Limited