



Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held by videoconference
on Friday, 5 March 2021 at 3.30pm

Present:	Helen Coonan (Chairman) John Horvath (Deputy Chairman) Jane Halton Toni Korsanos Lauren Harris (Secretary)
By invitation:	Bronwyn Weir Alan McGregor Xavier Walsh Matthew Young Guy Foster (Allens) Kelvin Barry (UBS)
Apologies:	Nil

ILGA Inquiry Update:

REDACTED - PRIVILEGE

The Board discussed communication with employees and it was agreed that the Executive Chair should prepare regular communications to staff regarding progress with the reform agenda.

REDACTED - PRIVILEGE

REDACTED - PRIVILEGE

The Chair then thanked Mr Foster for his update and he left the meeting at 5:00pm.

Update on Action Plan

The Board noted the update on the Action Plan following the release of the Commission's Report. Mr McGregor then provided the Board with an update on recent discussions with credit rating agencies and in particular the request made to Moody's to withdraw their issuer credit rating of Crown.

The Board discussed the rationale for initially requesting Moody's withdraw their issuer rating and the need to manage the risk of a further downgrade. Having made the decision to terminate the EMTN program and Moody's subsequently withdrawing their credit rating of the program, management are now recommending to the Board that the issuer credit rating withdrawal request given to Moody's be withdrawn.

The Board discussed the previous market announcements regarding Moody's and considered the need to continue to engage with three rating agencies into the future however agreed to retain all three for the time being.

After consideration, the Board **RESOLVED** that the withdrawal request given to Moody's should be withdrawn.

Smoking Update:

The Chair then invited Mr Walsh to present the proposal for the phased cessation of smoking at Crown properties.

Mr Walsh outlined the current indoor smoking allowed at Crown Perth and Crown Melbourne and the proposed timeline for phasing out smoking at all of Crown's properties noting the additional time required to construct facilities at Perth and Melbourne to seamlessly move to a non-smoking environment.

Mr Walsh outlined the approximate CAPEX requirements to reconfigure and expand existing outdoor areas. In relation to Crown Perth, Mr McGregor clarified the CAPEX request includes a future cost to refurbish the Pearl Room. Mr McGregor advised the Board that a detailed business plan for the refurbishment of the Pearl Room will be put to the Board for approval at a later date.

The Board discussed the timing of moving to a smoke-free environment in light of travel restrictions and reduced visitation however agreed with management that the timelines as set out in the paper were appropriate. The Board then discussed the timing of the Crown Melbourne work and Mr Walsh confirmed work on the Teak and Mahogany Rooms would commence immediately followed by the gaming areas in Level 29 and 30 next calendar year.

The Board then discussed the draft ASX announcement included in the papers and suggested minor amendments.

After consideration, the Board **RESOLVED** that:

1. it is in the best interests of the Company to phase out indoor smoking at Crown's Australian resorts on the terms presented to the Board;
2. the phase out of indoor smoking at Crown's Australian resorts on the terms presented to the Board be approved;
3. the proposed immediate capital expenditure required to create alternative smoking areas at Crown Perth and Crown Melbourne be approved; and
4. the draft ASX announcement, subject to minor amendments discussed at the meeting, be approved for release.

Overseas Sales Offices Update:

The Chair then invited Mr Walsh to present the update on the overseas sales team separation arrangements.

Mr Walsh took the paper as read and confirmed that 20 out of the 22 overseas office employees have now signed a Deed of Release. Mr Walsh provided an update on the negotiations with two outstanding overseas employees, Mr Ari Lee and Mr Ricky Lee, and outlined for the Board the proposed payments in relation to their notice period, retention, and long service leave entitlements. Mr

REDACTED - PRIVILEGE

Mr Walsh then updated the Board on the separation negotiations regarding Ishan Ratnam and his request for amended arrangements regarding his departure from Crown. The Board unanimously agreed that the negotiated position outlined in the paper, considered by the Board in good faith, is Crown's final offer. The Board further agreed that no public statement is to be made regarding Mr Ratnam's departure.

Mr Walsh agreed to respond to Mr Ratnam's lawyers as instructed by the Board with the offer remaining open until COB on Tuesday, 9 March 2021.

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After consideration, it was **RESOLVED** that:

1. entry into the deeds of release with each of Ari Lee, Ricky Lee and Ishan Ratman on the terms presented to the Board was in the best interests of the Company (Deeds of Release);
2. the separation terms presented to the Board for each of Ari, Lee, Ricky Lee and Ishan Ratman be approved;
3. the Chief Financial Officer of the Company be authorised to sign the Deeds of Release for Ari Lee, Ricky Lee on behalf of Crown Resort Pte Ltd;
4. any two directors or any one director and secretary of the Company be authorised to sign the Deed of Release for Ishan Ratnam on behalf of the Company;
5. the separation terms for Ronald Theiler be ratified and approved; and
6. any director or secretary of the Company be authorised to take such further acts as may be necessary with the above resolutions.

International hosting team

Mr Walsh then advised the Board of a proposal to collapse the hosting team due to the closure of the international business. The closure will result in approximately 50 employees being made redundant with an overall cost expected to be approximately \$2 million.

The Board requested Mr Walsh keep the Board updated on progress.

Cyber Incident Update:

The Directors noted the update on the cyber incident. Mr McGregor confirmed that there had been no further breaches connected to Crown's ATO portal and that management will be in contact with affected individuals shortly to assist with setting up new MyGovIDs.

Other Business:

Board Committee Composition

The Board noted the paper on the proposed Board and Committee Composition. The Board considered the committee membership requirements against the ASX Corporate Governance Principles and Recommendations and ASX Listing Rules noting the proposed memberships are an interim arrangement until further directors are appointed to the Board.

After consideration, the board **RESOVLED** to approve the revised Committee memberships, meeting structure and updated non-executive director fee schedule.

Subsidiary Board Composition

The Board then discussed the need to appoint additional directors to several subsidiary entities. After discussion, the following appointments were proposed:

Company	New Director
Aspinalls Club Limited	Alan McGregor
Aspers	Alan McGregor
Chill Gaming Pty Ltd	Peter Herring (previously an alternate director for Ken Barton and John Alexander)
Betfair Pty Ltd	To be confirmed following commencement of new CEO
Nobu	Peter Crinis
Crown Sydney Gaming Pty Ltd	Helen Coonan

In relation to Crown Group Finance Limited, Crown Group Securities Limited and Publishing and Broadcasting (Finance) Ltd, it was agreed that further information was to be provided regarding the purpose of each entity before a decision is made on who will be appointed.

Crown Aircraft

The Chair then invited Mr Walsh to present the proposal for the sale of Crown's aircraft. Mr Walsh took the paper as read and confirmed that a sale process will commence. Mr Walsh agreed to update the Board on the sale process.

After consideration, the Board **RESOLVED** to:

1. list all three jets for sale;
2. dependent on the value of the offers received, Crown will sell ~~at least one of the jets~~ immediately;
3. Crown retain for the purposes of maintenance requirements, at least one two jets primarily for use within the Australian domestic market and potentially South-East Asia to shuttle high value Premium players to Crown Melbourne and Crown Sydney;
4. Crown offer its remaining jet(s) for ad hoc private charter flights whilst it continues to assess the competitive landscape and the requirements within the domestic market upon reopening of Crown Sydney and the ramping up of Crown Melbourne operations post COVID-19.

Zengaming

The Board noted the paper regarding the sale of Zengaming and after consideration, **RESOLVED** that the Chief Financial Officer be authorised to progress discussion with the founders and seek to agree terms on which Crown can exit its investment in Zengaming. The Board further authorized the Chief Financial Officer to enter into a sale transaction under the Company's Delegations Policy to exit the investment in Zengaming.

Betfair Advertising Campaign

Mr McGregor updated the Board on the forthcoming Betfair brand marketing campaign. The Board requested Betfair present their marketing plan to the Directors at the next meeting.

Service Providers

The Board noted the update on consultants and legal advisors and requested management reformat the schedule to include costs incurred for each advisor and separately disclose the costs associated with the reform agenda and restructure.

ASIC

Mr McGregor then advised the Board of the follow up request from ASIC regarding the contingent liability note in the half year financial statements. Mr McGregor confirmed that management are working with advisors on the response which is due by 16 March 2021.

AML Class Action - Update

The Board noted the update on the AML class action and further noted the receipt of an Amended Statement of Claim.

REDACTED - PRIVILEGE



CEO appointment

The Board approved for Ms Korsanos to sign the services agreement with Heidrick & Struggles in relation to the CEO search. Ms Korsanos confirmed that a position description would be presented at the next People, Remuneration & Nomination Commission for approval.

The Board then discussed the appointment of Nick Weeks to assist with project coordination in relation to the reform agenda and regulatory engagements. The position is likely to be a 12 months contract role. A draft contract will be presented to the Board for approval.

The Board then noted that the contract for Tony Weston, the new Chief People & Culture Officer, had been signed. The only amendment to what had previously been agreed with Mr Weston was a 12 month notice period instead of 6 months.

Future Meetings:

The Board noted the future meeting dates.

Closure:

There being no further business, the meeting was declared closed at 6:20pm.

Signed as a correct record.



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Chairman