



Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held on Wednesday, 14 April 2021 at
11:00am at Garden Room 3, Level 1, Crown Towers, 8 Whiteman Street,
Southbank, Victoria 3006

Present:	<p>Helen Coonan (Chairman) John Horvath (Deputy Chairman) Jane Halton Toni Korsanos Nigel Morrison</p> <p>Bronwyn Weir (Minutes)</p>
By invitation:	<p>Steven Blackburn, Chief Compliance and Financial Crime Officer Lonnie Bossi, CEO Crown Perth (Agenda Item 10) Peter Crinis, CEO Crown Sydney (Agenda Item 10) Stuart McCulloch, Interim General Counsel Alan McGregor, Chief Financial Officer Todd Nisbet, EVP – Strategy & Development John Salomone, Chief Financial Officer – Australian Resorts Nick Stokes, Head of Financial Crime & Group MLRO (Agenda Item 7) Matthew Young, Manager – Strategy and Investor Relations Xavier Walsh, CEO Crown Melbourne (Agenda Item 10) Nick Weeks, EGM Transformation and Regulatory Affairs</p> <p>Vijay Cugati, Allens (Agenda Item 3) Guy Foster, Allens (Agenda Item 3) Peter Haig, Allens (Agenda Item 3) Richard Lilly, Allens (Agenda Item 3) Andrew Maher, Allens (Agenda Item 3)</p> <p>Kelvin Barry, UBS (Agenda Items 3 - 5) Murray Osborne, UBS (Agenda Items 3 – 5) Barry Sharkey, Barrenjoey (Agenda Item 5)</p> <p>Tim Moore-Barton (Betfair) (Agenda Item 8) Nick Thomas, Marketing Director (Betfair) (Agenda Item 8)</p>
Apologies:	Nil
Opening of Meeting	The Chair noted a quorum was present and opened the meeting.

Prior to commencing the business of the meeting, the Chair welcomed Mr Nigel Morrison to his first official Board meeting following regulatory approval.

The Chair also acknowledged the last meeting for Professor Horvath following the announcement of his retirement. The Board thanked Professor Horvath for his long service to the Company and in particular for chairing the Responsible Gaming Committee.

Minutes of Previous Meetings:

It was **RESOLVED** that the draft Minutes of the Board Meetings held on 14 February, 17 February, 21 February, 5 March, 12 March, 15 March, 21 March, 26 March, 30 March, 31 March and 9 April 2021 be approved.

Declaration of Interests:

The Board noted the Declaration of Interests paper. Ms Korsanos advised the Board of her resignation from Webjet Limited, effective 24 March 2021. Ms Halton advised the Board that the National COVID-19 Commission ceased operating on 31 March 2021. Ms Halton was a Commissioner of this Committee.

The Chair then welcomed Messrs Foster, Haig, Maher, Lilly and Cugati from Allens; and Mr Barry and Mr Osborne from UBS to the meeting at 11:15am.

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

The Chair then invited Mr McCulloch to present the Legal and Regulatory Update.

Mr McCulloch took the Legal and Regulatory Update as read and invited the team from Allens to provide an update on each of the following matters – ILGA Inquiry, Royal Commissions, ASIC and AUSTRAC investigations.

ILGA Inquiry

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Victorian Royal Commission

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Mr Maher then outlined the next steps, noting:

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WA Royal Commission

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ASIC – s180 investigation

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AUSTRAC

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Dinner by Heston – Unfair preference payment

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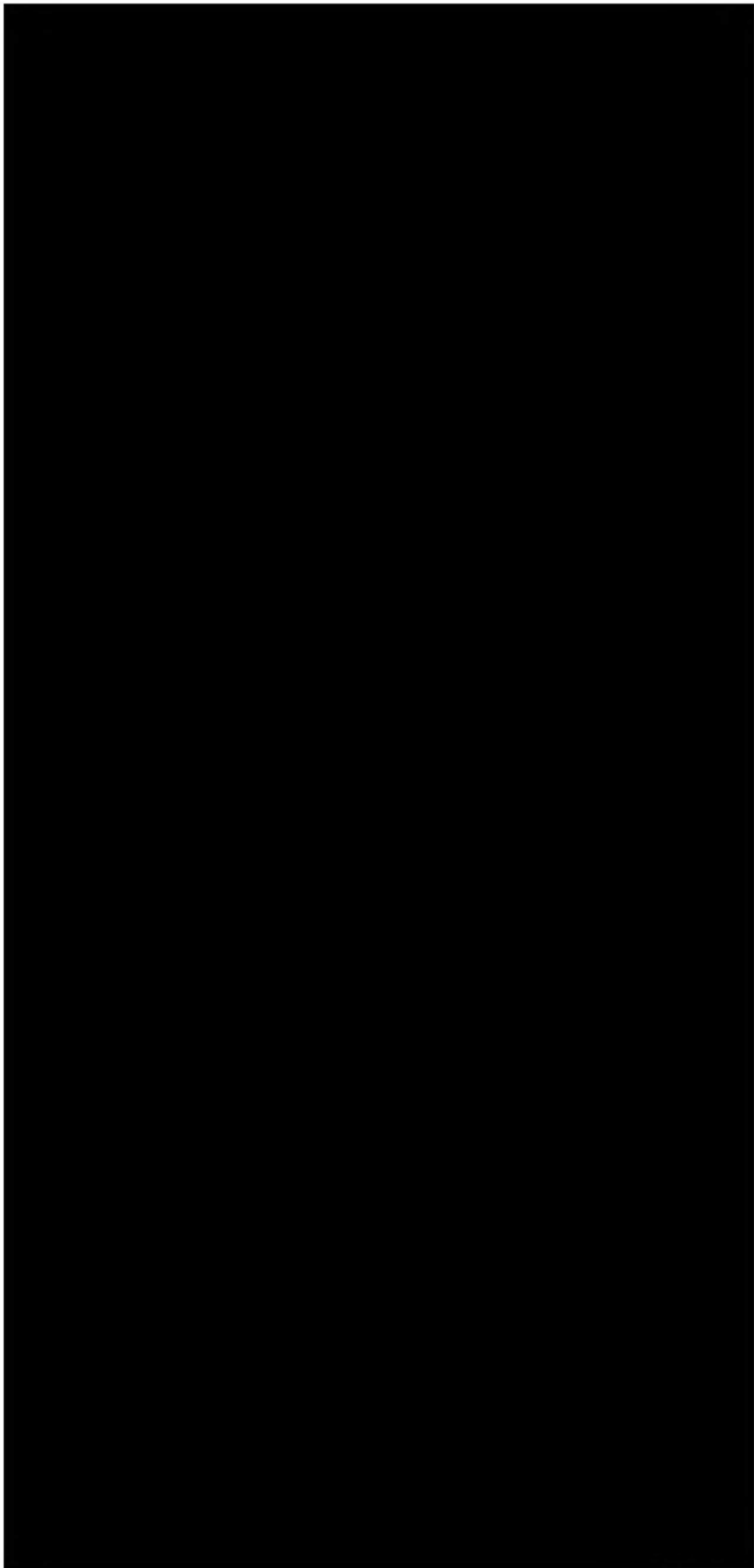
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Payroll audit

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Blackstone Proposal:

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Financing Arrangements Update: The Chair then invited Mr Sharkey to join the meeting for Agenda Item 5.

Mr McGregor provided the Board with introductory comments on the UBS paper titled 'Funding options' before proceeding to outline the key near-term risks Crown is subject to. Mr McGregor then discussed the potential liquidity risks Crown is subject to before updating the Board on the current and projected net debt position of the Company.

Mr McGregor then explained to the Board the increasing difficulty in providing representations and warranties to lenders, particularly those associated with AML/CTF. It was noted that the support from the Company's bank lenders is becoming increasingly important.

The Board then discussed the lenders' position on social responsibility and the increasing trend of banks moving away from industries such as coal and gambling. In terms of transactional banking, it was noted that while this market is becoming challenging, it is unlikely that the Company would not have any options available in Australia.

Mr Barry then outlined the key issues to be considered over the next 12 – 24 months which may have implications on the Company's financing strategy. In particular, Mr Barry noted the quantum and timing of any potential monetary penalty or settlement following the AUSTRAC investigation remains unknown.

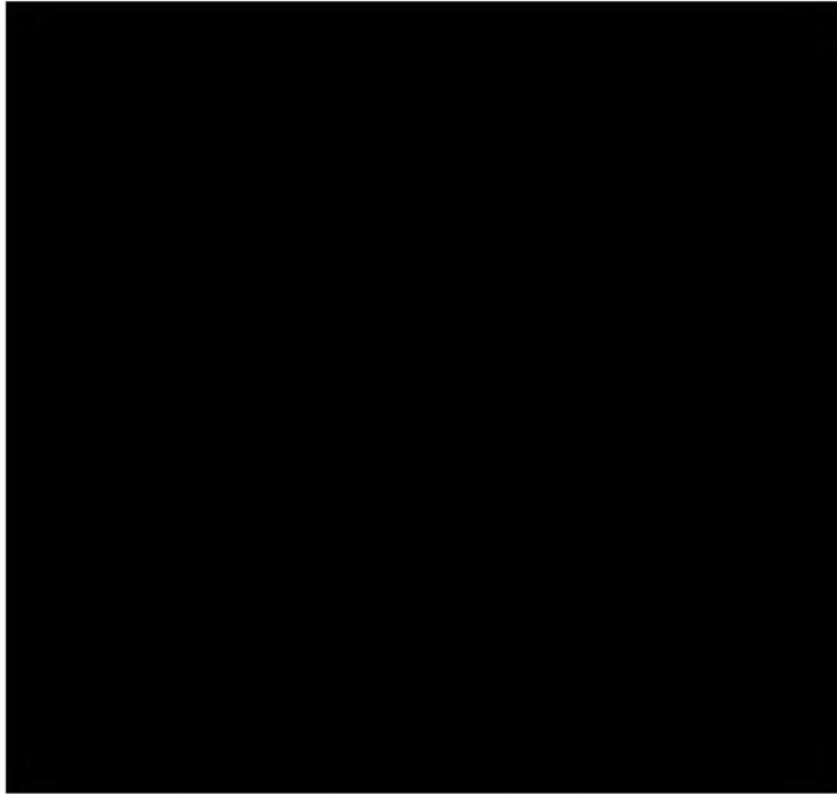
Mr Barry then discussed the implications of the Blackstone proposal on the Company's financing strategy noting that the proposal in its current form does not present any material impediment. It was noted that the Company should prioritise the financial stability of Crown under any scenario.

Mr Barry then outlined for the Board the various potential funding options available to the Company including a bridge facility, deferring redemption of the Company's Hybrid Notes II, a vanilla bond/loan, a convertible bond, new hybrid notes or ordinary equity.

Mr Barry then referred the Board to the UBS and Barrenjoey paper titled 'Hybrid considerations'.

Mr Barry and Mr Sharkey also noted that the Board will need to be mindful of the Company's dividend strategy and how this might impact on financing arrangements in the near term.

Mr Barry then discussed with the Board the key considerations relating to the Company's Hybrid Notes which are approaching

**Transformation Update:**

The Transformation Update paper was taken as read.

The Board discussed the timing of the proposed transformation workshop and requested this be reviewed and rescheduled subject to director availability.

AML/CTF Update:

Nick Stokes then joined the meeting at 2:55pm.

The AML/CTF Update paper was taken as read.

Mr Stokes highlighted the updates to the paper since it was presented to the Risk Management Committee meeting on 25 March 2021, namely:

- The Financial Crime team is continuing to work through an implementation review of the Joint Program to identify any gaps and put in place measures to address any issues.
- In relation to the UAR Statistics, between the period 9 March to 7 April, 371 new UAR's have been triggered under the new UAR framework.
- The new AML portal was released yesterday enabling UAR reports to be lodged online.

The Chair thanked Mr Stokes for the update and he left the meeting at 3:25pm.

Betfair Marketing Update:

Mr Tim Moore-Barton and Mr Nick Thomas joined the meeting at 3:25pm.

The Betfair Marketing Update was taken as read.

Mr Moore-Barton outlined for the Board the reasons for launching a television campaign now and potential risks to Crown and how these can be mitigated. Mr Moore-Barton outlined the costs and return on marketing spend together with the proposed timings of the campaign in the lead-up to the Spring Carnival.

Mr Moore-Barton and Mr Thomas then left the meeting at 3:45pm.

The Board expressed their concern about proceeding with the campaign given the current regulatory environment and agreed that Betfair should not proceed with their television marketing campaign at this time.

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.

Financial Summary

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

Mr McGregor referred the Board to the updated consensus uploaded to Diligent prior to the commencement of the meeting. Mr McGregor reminded the Directors of the requirement to consider disclosure where consensus fell outside of the 15% threshold. Mr McGregor drew the Board's attention to two outliers, BOA and Citi, and their forecast for Crown Melbourne. If these outliers are removed, the business is approximately 8% outside of consensus.

Mr McGregor advised the Board that the full year forecast remains uncertain due to COVID-19 restrictions and regulatory actions.

In summary, management's view is that no disclosure is required at this stage having regard to analyst consensus however management will continue to monitor the situation and update the Board accordingly.

Australian Resorts Update:

The Chair then invited Messrs Walsh, Bossi and Crinis to the meeting at 3:55pm.

Crown Melbourne

Mr Walsh took the Crown Melbourne paper as read and proceeded to provide a verbal update noting:

- The performance of Crown Melbourne is improving across all areas following the relaxation of COVID-19 restrictions. Gaming tables are operating at approximately 65% of pre-COVID levels and gaming machines at approximately 80% of pre-COVID levels.
- Premium restaurants are performing well with bars and casual restaurants improving as foot traffic increases throughout the property.
- Occupancy at the hotels is improving with Crown Metropol and Crown Promenade heavily weighted towards weekend stays.
- A broker has been appointed to sell one of the jets as previously agreed by the Board. Domestic and international interest has been positive.
- 46 positions were made redundant from the international hosting team however many employees have been redeployed to other areas of the business.
- Implementation of smoking restrictions have been well accepted by guests and employees. The Black Salon gaming machine area is now the only location guests can smoke inside at Crown Melbourne.
- Management have commenced a review of approximately 500 international premium VIP players in advance of international borders reopening.

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

Crown Perth

Mr Bossi took the Crown Perth paper as read and proceeded to note the following:

- Trading at Crown Perth remains robust despite ongoing COVID-19 restrictions.
- The West Australian Government has appointed new ministers to the Gaming and Tourism portfolios. Management are attempting to engage with these new ministers.
- Transition to non-smoking at Crown Perth is progressing however significant work is required to convert the Pearl Room to non-smoking.

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

Crown Sydney

Mr Crinis took the Crown Sydney paper as read and proceeded to note the following:

- Performance is improving with the hotels however continuing to have issues with casual and part time housekeeping labour. Management are working with suppliers on alternative solutions to increase the base level of full-time staff.
- The business continues to retain a large number of gaming staff however is providing additional training and alternative work options to keep them engaged.

The Board queried Crown Sydney's policy on drugs. Mr Crinis confirmed a zero tolerance for drugs on the premises and advised that uniform police are on site on weekends. During the week, Crown security will attend any instances and notify the police accordingly.

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

Other Businesses:

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

Non-core investment strategy

The Non-Core Investment Strategy paper was taken as read. Mr McGregor and Mr Young provided the Board with background information on each of the businesses referred to in the paper.

The Board **RESOLVED** to endorse the recommendations presented by management and as outlined in the paper regarding each of the non-core businesses. Management agreed to revert to the Board with updates in due course.

Development Update:

The Development Update was taken as read.

Mr Nisbet reminded the Board of previous discussions regarding developing Queensbridge including discussions about preparing a planning application following interest to develop the site.

Mr Nisbit outlined the options for proceeding and the Board requested Mr Nisbet work with Mr Morrison on exploring the options and revert to the Board with an update in due course.

Investor Relations Report:

The Investor Relations Report was taken as read.

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

Committees:

Risk Management Committee – Draft Minutes of Meeting held on 25 March 2021

It was **RESOLVED** that the Draft Minutes of the Risk Management Committee Meeting held on 25 March 2021 be noted.

The Board then discussed the need for an overarching risk appetite statement and it was agreed that Mr Blackburn and Ms Siegers would work together on developing a statement for inclusion in the Risk Management Strategy and for approval by the Board.

Committee Composition

The Board noted the proposed Committee Composition following the retirement of Professor John Horvath.

Following the meeting it was identified that the paper presented to the Board contained an error. Ms Korsanos remains the Chair of the Crown Melbourne Ltd board and is not a member of the Crown Melbourne Compliance Committee.

The Board noted that Mr Morrison will be appointed as a member of the Crown Melbourne Ltd board, a member of the Crown Melbourne Audit Committee and Chair of the Crown Melbourne Compliance Committee, subject to a signed consent and due diligence.

Other Business:

Approval of Subordinated Notes Quarterly II Report

The Directors noted the requirement to provide the Notes Trustee with Quarterly Reports.

The directors acknowledge having received a copy of the draft Quarterly Report for the Crown Subordinated Notes II in relation to the period from 1 January 2021 to 31 March 2021 (the Quarterly Report) and it was **RESOLVED** that:

1. the Quarterly Report be approved;
2. any one director or secretary of the Company be authorised to sign the Quarterly Report on behalf of the Company;
3. the Company Secretary cause the Quarterly Report to be lodged with the Australian Securities and Investments Commission (ASIC); and
4. a copy of the Quarterly Report lodged with ASIC be provided to Australian Executor Trustees Limited (in its capacity as Trustee of the Crown Subordinated Notes II issues).

Approval of Policies and Charters

The Approval of Policies and Charters paper was taken as read.

It was **RESOLVED** that the following policies and charters be approved:

1. Risk and Compliance Culture Framework

2. Risk Management Policy
3. Risk Management Committee Charter

The Delegations Policy was approved subject to the removal of the Company Secretary position as an authorised person.

Approval of Power of Attorney for Crown Resorts Limited

The Power of Attorney paper was taken as read.

It was **noted** that the Board has approved the updated Delegation Policy (subject to the removal of the Company Secretary as an authorised person).

It was proposed that the Power of Attorney dated 20 August 2019 for the Company be replaced with a Power of Attorney which reflects the updated Delegation Policy.

The directors acknowledged having received and considered a draft updated Power of Attorney (Power of Attorney) for the Company. It was noted that each Attorney was to have the powers specified in the Power of Attorney.

It was **RESOLVED** that:

- the Power of Attorney dated 20 August 2019 for the Company be revoked;
- the Power of Attorney and appointment of each Attorney under it be approved; and

the Power of Attorney be executed by the Company in accordance with section 127 of the *Corporations Act 2001* (Cth).

Betfair Board changes

Mr McGregor advised the Board of Mr Anthony Klok's intention to resign as Chair of the Betfair board. In addition, Mr Moore-Barton will step down as CEO on 30 June 2021. Ms Amy Zavros has returned to the business as Mr Moore-Barton's replacement.

The Board noted the recommendation that Mr Moore-Barton join the Betfair board to replace Anthony Klok as Chair.

Service Providers

The Board noted the Consultants and Legal Services providers report.

Future Meeting Dates

The Board noted the future meeting dates.

"In Camera" Session:

The Board then held an in-camera session without management present.

Closure:

There being no further business, the meeting was declared closed at 5:00pm.

Signed as a correct record



Chairman