

Statement of Nigel Morrison.

15 June 2021

Melbourne.

Background

1. Briefly outline your background and any tertiary or professional qualifications.

I completed a Bachelor of Commerce degree at the University of Melbourne and Graduated on 29 March in 1980. I then joined Arthur Young, Chartered Accountants in Melbourne and commenced in their audit practice. I undertook my Professional Year and become a Chartered Accountant and joined the Institute of Chartered Accountants in Australia on 8 March 1983. In the late 1980's I transferred to the firm's Corporate Advisory practice. During that time my focus was on corporate valuations, small to medium M&A, litigation support, and capital raisings including company listings. During the late 1980's and early 1990's I became the firms expert in casinos as more and more states were seeking to licence casino operators (Victoria, NSW, Queensland in Cairns and ACT in Canberra) – primarily market demand studies, feasibility studies and assisting with the preparation of bid documentation.

While a Principal and subsequently Partner at E&Y, I played a key role in assembling the consortium to bid for the Melbourne Casino licence, I worked on the bid, which the Crown Consortium ultimately won and I was then invited to join Crown 1993.

Given from 1993 through to 2016, my work and employment history was in the casino industry and related sectors, I have provided my background in this, below at Q 2.

I joined the Sun International Board in South Africa in late 2016 but resigned shortly thereafter.

Since leaving the casino industry in 2016 I have been effectively semi-retired, while managing some investments and trying to keep fit and healthy.

Professional qualifications:

- Completed B.Com from the University of Melbourne in 1979
- Awarded the IBM Exhibition Prize in 1979 for Computer Programming while at the University of Melbourne .
- Member of the Institute of Chartered Accountants in Australia – 1983 (former)
- Member of the Institute of Arbitrators in Australia (former)
- Fellow of the Institute of Directors in Australia – 1991 (former)
- Associate of the Securities Institute of Australia - 1987 (former) having completed the Institute's Diploma course in March 1987.
- Fellow Membership of CPA Australia since 2009
- Completed the Advanced Management Program at INSEAD in July 2015.

Experience

2. Outline your work and employment history, with particular attention to any experience in the gaming and casino sectors, or any related business sector.

Carrying on from Q1 above, I joined Crown Limited in 1993 and worked in various executive finance roles, leading up to CFO and then COO in 1997/8. At that time the operations of Crown Limited were only those of Crown Melbourne. I left Crown in Jan 2000 after the takeover by PBL.

I was then approached by the Federal Group in Tasmania which lead to me joining them in 2000. I was appointed CEO. Federal operated casinos, gaming and tourism businesses in Tasmania. I left Federal in December 2006.

In February 2007 I joined the Galaxy Entertainment Group Limited, a public company listed and based in Hong Kong. Galaxy operated casinos in Macau and was focusing on the build out of Phase 1 of its "mega resort" in Coati. I was appointed Group CFO, based in HK. My key areas of focus at Galaxy during this time, included:

- Assisting in completing the Permira private equity investment in Galaxy together with a rights issue raising USD1b to fund the Phase 1 development of the Coati project and the global investor relations program associated with communicating that transaction and Phase 1 of the project;
- The repositioning of the information technology function of the business to be positioned to cope with the massive developments ahead, including recruiting new management and the selection and of implementation of an enterprise wide system (SAP) to manage the growing business of Galaxy going forward.

In late 2007 I was approached by search firm Heidrick and Struggles regarding the CEO role at SkyCity based in Auckland. I was keen to take on this role and was appointed CEO and MD of SkyCity Entertainment Group commencing 1 March 2008. I was CEO and MD of the SkyCity group for 8 years up to the end of April 2016.

Greater details of my experience in each of these roles is included in my CV attached.

3. Please annex a current CV to your statement.

My CV is Document ID CRW.512.129.0070. It covers the period up to 2016 when I my work and employment history ceased, other than my recent appointment to the Crown board.

Relationship with James Packer, Kerry Packer and/or CPH

4. Outline:

- (a) any prior or current association or relationship with Mr James Packer and/or CPH;

I have no current association with Mr James Packer and/or CPH

While employed at Crown Limited as Chief Operating Officer up to January 2000, after PBL acquired Crown, I would attend board meetings where James was present. I also attended a meeting with Mr James Packer and Mr Kerry Packer in mid to late 1999 where I expressed my desire to be appointed CEO of Crown. They chose to appoint a new CEO and I left the business shortly thereafter in January 2000.

After leaving Crown I was approached by Mr James Packer to help with the management of the One-Tel business. I had a number of meetings regarding this with One-Tel and CPH in Sydney, but ultimately it lead to nothing as the proposed rights issue to support the business going forward did not eventuate.

While CEO of SkyCity, in or around 2011/2012, at the request of the then Chairman, Mr Rod McGeoch, I joined him at two meetings with Mr James Packer and Mr Guy Jalland in CPH's offices in Sydney, where we discussed the Australian casino industry. I have not seen or communicated with Mr James Packer and/or CPH since.

While at Ernst and Young, I had advised the CPH and Circus Circus consortium on its unsuccessful Sydney Casino bid (in or around 1993). My main contact at that time at CPH was Mr Graham Cubbin, the then Finance Director. During numerous meetings with CPH on the Sydney Casino bid, I believe I met Mr James Packer, but I have no clear recollection of this.

(b) any communications with James Packer or CPH or any officer of CPH prior to the time of your appointment as a director of Crown;

Other than as referred to above or below, I recall meeting with Mr Peter Yates, the then CEO of CPH and Mr Guy Jalland during my discussions regarding One-Tel in 2000.

(c) any prior association or relationship with Mr Kerry Packer.

As noted above, while at Ernst and Young, I advised CPH on its unsuccessful Sydney Casino bid (in or around 1993). As noted, my main contact at that time was Mr Graham Cubbin. During numerous meetings with CPH and Circus Circus on the Sydney Casino bid, I met Mr Kerry Packer and presented to him on, primarily, the potential market demand for a Sydney casino. I also recall being at a design meeting of the Sydney Casino where he was present.

While employed at Crown Limited as Chief Operating Officer, after PBL acquired Crown, I would attend board and business meetings where Mr Kerry Packer was present. I also attended a meeting with Mr James Packer and Mr Kerry Packer in mid to late 1999 where I expressed my desire to be appointed CEO of Crown. They choose to appoint a new CEO and I left the business shortly after in January 2000.

I have had no association, relationship or communication with Mr Kerry Packer since in 2000.

Committees

4. Which Crown board committees are you presently a member of

The Crown board committees that I am a member of are as below. My understanding is that these are interim appointments and as the Board moves to increase its director numbers from the current 4, there will be a more appropriate re allocation of directors to committees.

Crown Resorts Limited (appointed a director of Crown Resorts on 31 March 2021):

- People, Remuneration and Nomination Committee.
- Audit & Corporate Governance Committee
- Safety & Sustainability Committee
- Responsible Gaming Committee
- Risk Management Committee

Crown Melbourne Limited (appointed a director of Crown Melbourne on 23 April 2021):

- Audit Committee
- Compliance Committee

Skills

6. What skills do you bring to the Crown board or board committee of which you are a member?

The skills I believe I bring to Crown, are skills I've acquired from a career of over 25 years as a senior executive of leading casino companies, as detailed above, including roles as CFO, COO, CEO and MD. Additionally, I bring the core financial and analysis skills I acquired in my 13 years

at Ernst and Young (and its predecessor firm Arthur Young) as I progressed to being a Partner in the Corporate Advisory practice of that firm in Melbourne.

The skills I have acquired over my executive career are many and varied, but in general terms I would categorise the main ones relevant to the board and committees of Crown now, as:

- Leadership and Communication
- Stakeholder management - regulatory, government and community engagement
- Setting strategy and objectives,
- Organisational design and employee alignment
- Casino Operations and analysis
- Financial management and funding
- Systems and technology

7. How are those skills relevant to Crown's present circumstances?

I believe they are relevant in the following ways:

- Ability to work together with Regulators and Government, recognising the importance of social licence, culture and compliance.
- Setting strategy and following through with Organisational structure and design
- Recruitment processes and employing the right people
- Establishing a vision and values and getting buy-in throughout the organisation
- Focusing on and improving Employee Engagement (Employer of Choice)
- Setting clear and manageable Key Performance Objectives (KPO's) aligned to strategy.
- Structuring remuneration, aligned with agreed KPO's, with gatekeeper provisions linked to culture and values to drive behaviour.
- Using systems and technology to enhance the effectiveness of managing the business particularly with a focus on compliance and minimising harm
- Open and honest communication - rebuilding an environment of trust

When I joined SkyCity in 2008, there were in many ways, some similar challenges to those that face Crown. There had been no permanent CEO for over 12 months, the culture was not good, the relationships with regulators and governments was not good, particularly in South Australia and there were accusations of loan sharking. By bringing in a new management team and implementing a change program, embodying much of the above, I believe we successfully transformed SkyCity.

Request to join the Crown board

8. How did you come to be a member of the Crown board?

I was approached by search firm Korn Ferry in Sydney in December 2020, to see if I was interested in becoming a non-executive director of Crown Limited. After considering this I had further discussions with Korn Ferry and agreed to have initial discussions with Crown.

I then had a number of meetings with Crown directors via Webex, with Mr Harold Mitchell (who was the then Chair of the PRN Committee), Ms Helen Coonan and Ms Toni Korsanos. The discussions were primarily about my experience. At this time the Bergin Report had not been delivered. As I had not signed a detailed confidentiality undertaking there was only a high level discussion of the issues facing Crown at that time.

I then met with Mr Harold Mitchell and Mr Andrew Demetriou over lunch at Crown on 20 January, as, I understand, Mr Harold Mitchell regarded it as important that some of the directors should actually meet me, face to face, before making a decision.

9. Were you approached? If so, by whom?

As noted above I was approached by Korn Ferry. My primary communications there were with Ms Lynne Nixon and Ms Alexandria Goodfellow.

10. Describe the circumstances of any approach, and any selection process involved in your selection and/or approval by the Crown board.

In addition to the above, I would add that I forwarded my CV to Korn Ferry and provided a number of referees for them to undertake reference checks, which they did. I understand that some Crown directors contacted other persons directly from a list that I had provided Ms Helen Coonan, as part of their due diligence process.

I believe, Mr Harold Mitchell, as the Chair of the PRN Committee prepared a recommendation regarding my appointment to the Crown Resorts Board (subject to me receiving necessary probity and regulatory approvals), which that Committee approved and then forwarded to the Crown Resorts Board for their approval. This was given at the 28 Jan 2021 board meeting.

An ASX announcement was then made by Crown Resorts on 28 Jan 2021 that I would be appointed to the Crown Resorts Board subject to receipt of all necessary regulatory and probity approvals. These regulatory and probity approvals were received from ILGA and the VCGLR on 31 March 2021. My first official Crown Resorts board meeting was on 15 April 2021.

Consideration to joining the Crown board

11. What due diligence did you undertake before agreeing to accept a position on the Crown board?

As noted above, during the interview process I asked various general questions of the directors I was interviewed by, including Ms Helen Coonan and Ms Toni Korsanos.

Given I had not signed a detailed confidentiality agreement, I was not given any meaningful access to any Crown board papers or minutes of meetings. Crown did organise brief sessions with the following:

- Ken Barton – the then CEO
- Mary Manos – the then General Counsel
- Kelvin Barry – Crown’s investment bank advisor from UBS

In addition to the above, I really had to rely on publicly available information, my knowledge of Crown, my knowledge of the casino industry and discussions I had with other persons knowledgeable about Crown and the industry.

I was cognisant of the most recent and Sixth Review of the VCGLR (Section 25 Review) in June 2018, where the VCGLR found Crown suitable to hold the casino licence, although noting a number of key areas for improvement (responsible gaming and governance), resulting in an overall assessment of “satisfactory”.

I had discussions with the following persons prior to accepting the appointment to the Crown Resorts board as announced on 28 Jan 2021:

- Rod McGeoch - former SkyCity Director and Chairman
- Bruce Carter - then Deputy Chair of SkyCity Entertainment Group
- James Burrell - former CFO of SkyCity
- Anthony Seyfort - Partner at HWL Ebsworth's, Lawyers, and former Crown Company Secretary
- Ejaaz Dean - former GM International at SkyCity and former CEO Crown Aspinalls
- Barry Felstead - former Crown Australia Resorts CEO
- David Green - Principle of Newpage Consulting, advisor on casino regulation and legislation

12. Did you meet with existing directors of the Crown board?

As noted above, I met via WebEx with Helen Coonan and Toni Korsanos. I also met Harold Mitchell and Andrew Demetriou in person, noting they are no longer on the Board, although they were at the time of meeting.

13. Did you interview any of the management of Crown?

As noted above I had Webex calls with Ken Barton and Mary Manos.

14. Describe briefly your reasons for joining the Crown board.

As referred to above, under my Background in Q1, while at Ernst and Young, I played a key role in the formation of the Crown Consortium, working on the Crown bid for the Melbourne Casino Licence and ultimately being part of the winning team. I subsequently joined Crown as one of its first employees. At that stage Crown was "business plans and excel spreadsheets". We then developed and opened the temporary casino and then constructed and opened the permanent casino, the Crown Entertainment Complex, on Southbank in 1997.

During the late 1990s Crown, though the taxes it paid, the jobs it created, as a key tourism driver to Melbourne (bringing the Grand Prix to Melbourne and many other events), and as a catalyst for the further development of Southbank, played a major role in re-invigorating the flagging Victorian economy and greatly assisted Melbourne in getting back on track.

I think the Crown Entertainment Complex is a great asset for Melbourne, and it's sad that it has lost its way.

My reason for joining Crown is quite simply, to try and help it get back on track.

Known Crown failings

15. Describe what, if any, briefing you received from Crown in relation to Crown's failings as described in the Bergin Inquiry, or otherwise.

I did not receive any briefing as I was not appointed a Director of Crown Resorts with probity and regulatory approvals until 31 March 2021 and as my first board meeting as a director was not until 15 April 2021. The Bergin report was released on 1 February. I downloaded it and read it when it became available.

16. Prior to joining the Crown board, what enquiries did you make and/or what advice did you seek, and of whom, regarding Crown's failings?

I made enquiries of Crown directors during my interview process and was provided with a high level overview of the key issues coming out of the Bergin inquiry at that time, primarily by Ms Helen Coonan. These included the AML/CTF issues, Junkets, CPH influence and sharing of information, risk management, Crown's culture and the reality that a number of directors would be likely to leave.

Prior to joining the Crown board I also made general enquiries regarding Crown's failings of people who specialised in particular areas of the casino industry, being Mr Anthony Seyfort, a Partner at Law firm HWL Ebsworth's who specialises in AML, and Mr David Green, Principle of Newpage Consulting, an expert in casino regulation and legislation.

17. How do you propose that those failings be addressed?

Crown has seriously focused on its remediation and transformation plan designed to specifically deal with the issues raised in the Bergin. Below I have summarised some of the key actions that are part of the Remediation Plan. At Q19 below I have provided my views on how Crown should respond to the challenges currently facing it. These are fundamental to successfully deal with these failings.

These failings are being, and will be, addressed as described in the Remediation Plan with a number of the key actions including:

- Significant changes to the Board
 - An independent board with no majority shareholder influence.
 - Additional directors need to be appointed to further strengthen the Board.
- Significant changes to senior executive management including the very recent and critical appointments of:
 - a new CEO and MD
 - a new General Counsel (strong group compliance function)
 - a new Chief People and Culture Officer
 - Together these three people (being the foundations of a centralised corporate structure) can have a huge impact on culture and together can drive the change necessary through the organisation (much as we did with SkyCity)
- Addressing significant cultural issues through:
 - Greater and improved management and staff communication
 - A dedicated commitment to honesty and transparency and integrity and accountability
 - Whistle-blower programs to encourage staff to speak up on issues and act when raised
 - Reviewing values and elevating "do the right thing"
 - Aligning remuneration incentives to the organisations strategy and objectives
- Crown no longer accepting junkets operators
- Organisational changes splitting and elevating key functions, aligning and focusing the organisation structure to key areas to be addressed – including appointment of Head of Financial Crime, Chief Risk Officer and Internal Audit. The previous organisation structure, in my opinion, was flawed with Risk, Compliance, Responsible Gaming, Culture (i.e. HR) and AML included as direct reports to the CEO of Australian Resorts where 8 out of his 14 reports were focused on revenue growth and profit
- Addressing money laundering – the range of changes that Crown has and is making to its business in this regard are well documented with AML/CFT initiatives representing the majority of the Remediation Plan (some 27 of the current 47 pages of the current plan) together with a significant increase in resources

Future

18. Describe the challenges facing Crown.

The challenges facing Crown at this time are seriously substantial.

In addition to addressing the failings above, being the subject of a Royal Commission in Melbourne, of a Royal Commission in West Australia, working hard to gain suitability in NSW with ILGA following the Bergin Report, dealing with the on-going AUSTRAC and ASIC investigations and managing the current and potential on going disruptions of CoVid to the day to day business operations, other key challenges facing Crown include:

- Rebuilding relationships and trust with regulators and governments
- Rebuilding the community views of Crown and winning back public confidence
- Managing Crown's banking and rating agency relationships and funding during this process and as the findings of the Melbourne Royal Commission and other investigations unfold
- Repositioning Crown's responsible service of gaming to best practice
- Developing and implementing a new business plan to properly reflect the changes to Crown's business model following the Bergin inquiry and changes that will flow from the Melbourne Royal Commission
- Retaining quality staff and management, maintaining staff morale and engagement and attracting high quality new employees

19. How do you propose that Crown respond to those challenges?

I believe that the most important relationship within the organisation is that between a non-executive Chairman and the CEO. If these two are aligned in their values and behaviours and demonstrate them and live them, then change embodying those behaviours and values will follow. This, together with:

- An independent board with non-executive directors led by a non-executive Chairman
- a commitment to a strategy that recognises the overwhelming importance of Crown's social licence and of its compliance with all regulation and legislation
- an organisation structure designed to deliver this strategy
- clearly articulated and embraced values and behaviours
- a first class senior executive team led by a CEO who embodies the values and behaviours the organisation wishes to live by
- a remuneration framework that's aligned to the organisation's strategy and objectives, including gatekeeper provisions tied to behaviours and values

I believe these with responses, providing all parties are reasonable and fair, those challenges can be met.

Unpaid gaming tax

20. Outline what you know about any potential underpayment by Crown of gaming taxes.

My understanding is that it came to light in evidence at the Royal Commission on Monday 7 June. I understand that a spreadsheet had been prepared calculating gaming taxes payable if certain expenses claimed as deductions, were assumed to be not deductible.

I understand the potential underpayment of gaming taxes assumes that certain expenses have been incorrectly deducted from gaming revenues in arriving at net revenues for the purpose of calculating the gaming tax. My understanding is that these expenses included the cost of hotel rooms and car parking benefits provided to members of the Crown Rewards program.

I understand that when reviewing past minutes of meetings for disclosure to the Royal Commission in relation to potential breaches of compliance, Mr Xavier Walsh came across a minute of a 2012 meeting that he believed indicated Crown had changed, or was going to change, the basis of the calculation of gaming tax to include certain deductions. I understood that Mr Walsh had forwarded this minute to Allens for inclusion in documents to be provided to the Royal Commission (I believe as part of RFI-002).

I note in the June 2018 Section 25 Review, it states on page 81:

- The VCGLR receives a daily record of revenue and tax and audits this information for accuracy and completeness on an ongoing basis; and
- Other than an issue relating to entry fees to poker tournaments, there have been no issues with the payment or calculation of tax by Crown Melbourne in the review period.

Upon learning of the potential underpayment on Monday 7 June (from an article in The Australian), I understand that the Board of Crown has since instructed ABL to perform a review of the matter and to retain Counsel to advise the Board if in fact this is an underpayment of gaming taxes by Crown.

21. When did you first learn of the possibility that Crown may have underpaid gaming taxes?

I first learnt of the possibility that Crown may have underpaid gaming taxes on 7 June from the article in The Australian.

22. Describe what you learnt at that time.

Please refer above.

Past and current staff

23. Are you aware of any current investigations, including internal investigations or investigations by an investigative authority, into past or current Crown employees?

I am aware from updates that Allens Linklaters provided (ASIC Update), that ASIC is making enquiries into a number of, I believe, past Crown employees. I am not aware of the details of those enquiries, other than that they seem to relate to the Controlling Shareholder Protocol and information sharing, AUSTRAC reviews, AML/CTF issues including the Southbank and Riverbank account issues and other matters raised in the Bergin Report.

Other than that, I am not aware of any current investigations into past or current staff.

I am aware of a recent past investigation into [REDACTED] which I believe is now concluded.

24. If yes, please give details.

Refer above.

25. Have you received advice concerning any current investigation into past or current Crown employee?

No, other than advice received from Arnold Bloch Leibler (ABL) who advised the Board on the matter concerning [REDACTED]

26. If yes, please give details.

ABL's advice has been provided to the Commission – CRW.512.074.0002.

Good repute – character, honesty and integrity

27. Please disclose any matter relevant to a consideration of your good reputation, having regard to your character, honesty and integrity.

- In 1985 I was sponsored, by my then employer, Arthur Young, to attend “Future Perspectives – A forum for Young Australians”, being a project of The Queen Elizabeth II Silver Jubilee Trust for Young Australians – aimed at bringing together young Australians regarded as potential leaders from widely diverse segments of the community providing an opportunity to gain an understanding of the complex issues facing Australia and the ways in which each can contribute towards Australia’s future.
- During the late 1990s, I was member of the Firbank Grammar School Foundation whose primary responsibilities were to raise funds for the development of the school’s buildings and facilities.
- In June 2012, I was named a Paul Harris Fellow of the Rotary Foundation of Rotary International in appreciation of assistance given for the furtherance of better understanding and friendly relations among peoples of the world.
- I’ve raised monies for a range of charities over the years, some through my senior executive roles, including as CEO of SkyCity and others through personal commitments, including:
 - Participating in cycling events raising monies for charities, including cycling around Tasmania in around 2005, raising monies for Cure for Cancer.
 - For Leukaemia & Blood Cancer New Zealand, in 2016 participating in the Firefighters Sky Tower Chair Challenge, climbing the 1,100 steps, personally raising money for that charity
 - Organising a major charity event at SkyCity for the benefit and relief of those tragically impacted by the 2011 Christchurch earthquake.
- Over my career, prior to joining Crown, I have passed probity and held casino licences in Victoria, Tasmania, South Australia, Northern Territory and New Zealand. And in relation to Crown Resorts I have recently passed probity (31 March 2021) and been licenced in Victoria again, New South Wales and Western Australia.
- I believe I have always had good relationships with Ministers, Premiers, Chief Ministers, and regulators in jurisdictions where I have worked in the casino industry in Australia and New Zealand; in Melbourne (1993-2000), in Tasmania (2000-2006), the Northern Territory and South Australia (2008-2016) and in New Zealand (2008-2016). I would characterise my relationships with these parties as open and honest, such that, without such relationships it would not have been possible for SkyCity to have successfully negotiated the package of gaming reforms, tax restructuring, expansion and developments that it did in Auckland, Adelaide and Darwin.
- I note while at Crown in Melbourne in 1997/ 1998, Crown Limited was subject to an ASIC investigation. The investigation related to whether Crown had made all disclosures it was required to make in accordance with the ASX listing rules. ASIC concluded, inter alia, that the failures to disclose the matters were not occasioned by any dishonesty on the part of the Company and the judgement the Company made at the time was that it was acting in accordance with the ASX Listing rules. As a result Crown agreed to a system of quarterly

reporting for at least 3 years, a detailed internal compliance program overseen by a Compliance Committee and a Compliance Committee Charter.

- I also note that in 1984, I was summoned to Court, to answer an offence for speeding. My driver's licence was suspended for 1 month.

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Date

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Date 15 June 2021

MELBOURNE
