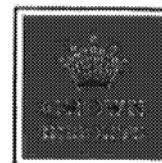


Direct Line:
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3 June 2019

Strictly Confidential

Barry Felstead
Chief Executive Officer, Australian Resorts
Crown Melbourne
8 Whiteman Street
Southbank Victoria 3006

Dear Barry

Re: Sixth Review of the Casino Operator and Licence (Sixth Review) – Recommendation 2

We understand that the Victorian Commission for Gambling and Liquor Regulation (VCGLR) has requested Crown Melbourne Limited to facilitate a review by Crown Resorts Limited of the chairs of each Crown Resorts Board Committee, to ensure the qualification of each Committee Chair matches the qualifications stipulated in the Committee Charters.

As you are aware, Crown Resorts Limited, being a publicly listed entity, is committed to good corporate governance and is required by law to report against the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

Set out below is a summary of the composition requirements which apply in respect of each of our Board Committees, together with a description of how we comply:

Crown Resorts Board Committee	ASX Recommendation	Crown Position
Audit and Corporate Governance Committee	At least three members, all of whom are non-executive directors and a majority of whom are independent directors	Three members, all non-executive directors and majority independent directors
	Chair – independent director	Chair – independent director

Crown Resorts Limited

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Crown Resorts Board Committee	ASX Recommendation	Crown Position
	Disclose the relevant qualifications and experience of the members of the committee	<p>Crown's 2018 Corporate Governance Statement, as set out on page 33 of the 2018 Annual Report, provides as follows:</p> <p><i>The Chair of the Audit and Corporate Governance Committee, Ms Coonan is an independent Director who has extensive financial experience. Ms Coonan has served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority.</i></p> <p><i>Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.</i></p>
Corporate Social Responsibility Committee	Not applicable	<p>Three members, all independent directors</p> <p>Chair – independent director</p>
Finance Committee (ad hoc)	Not applicable	<p>Three members, majority independent directors</p> <p>Chair – independent director</p>
Investment Committee (ad hoc)	Not applicable	<p>Three members, all non-independent directors</p> <p>Chair – non-independent director</p>
Nomination and Remuneration Committee	<p>At least three members, a majority of whom are independent directors</p> <p>Chair – independent director</p>	<p>Four members, majority independent directors</p> <p>Chair – independent director</p>

Crown Resorts Board Committee	ASX Recommendation	Crown Position
Occupational Health and Safety Committee	Not applicable	Three members, majority independent Chair – independent director
Responsible Gaming Committee	Not applicable	Three members, majority independent Chair – independent director
Risk Management Committee	At least three members, a majority of whom are independent Chair – independent director	Three members, all independent directors Chair – Independent director

This information is publicly disclosed in our Corporate Governance Statement in our Annual Report each year.

The Recommendations are put on an “if not, why not” basis. Accordingly, if we did not comply with any particular recommendation, we would need to justify that position to our shareholders as part of our annual reporting processes.

Committee Charter requirements

The requirement stipulated in each of the Committee Charters in relation to the Chairperson is as follows:

Crown Resorts Board Committee	Charter Requirement
Audit and Corporate Governance Committee	The Chairperson of the Committee will be an independent director nominated by the Board.
Corporate Social Responsibility Committee	The Chairperson of the Committee will be nominated by the Board.
Finance Committee (ad hoc)	The Chairperson of the Committee will be an independent director nominated by the Board.
Investment Committee (ad hoc)	The Chairperson of the Committee will be nominated by the Board.
Nomination and Remuneration Committee	The Chairperson of the Committee will be an independent director nominated by the Board.
Occupational Health and Safety Committee	The Chairperson of the Committee will be nominated by the Board.
Responsible Gaming Committee	The Chairperson of the Committee will be nominated by the Board.

Crown Resorts Board Committee	Charter Requirement
Risk Management Committee	The Chairperson of the Committee will be nominated by the Board.

Selection, appointment and development of Directors

In relation to the appointment of directors more generally, our Nomination and Remuneration Committee is required to (among other things):

- review Crown's procedure for the selection and appointment of new Directors (**Selection Procedure**) and make appropriate recommendations to the Board in relation to the Selection Procedure; and
- implement the Selection Procedure and make nomination recommendations to the Board.

The Selection Procedure requires that, in the event that a new Director appointment is required, the Nomination and Remuneration Committee (on behalf of the Board) must adhere to procedures including the following:

- the experience and skills appropriate for an appointee, the skills of the existing Board and any likely changes to the Board will be considered;
- upon identifying a potential appointee, specific consideration will be given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that the appointment would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time; and
- finally, all existing Board members must consent to the proposed appointment.

Skills Matrix

The Nomination and Remuneration Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown and existing regulatory requirements and recommendations.

The current Skills Matrix (extracted from the 2018 Annual Report) is attached for your information. The Skills Matrix summarises the number of directors on each of the Committees and the Board who possess the listed skill set.

Yours sincerely



Mary Manos
General Counsel and Company Secretary

1 attachment

2018 Annual Report Extract Board Skills Matrix

CORPORATE GOVERNANCE STATEMENT CONTINUED

INTERNAL CONTROLS AND RISK

Board Skills Matrix

As noted above, the Selection Procedure for Director nomination requires that the Nomination and Remuneration Committee (on behalf of the Board) considers the effect that any proposed Director candidate would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board and on each of its Committees as at 11 September 2018.

Skill / Competency	Board	Anti and Corporate Governance	Corporate Social Responsibility	Finance	Investment	Remuneration and Remuneration	Occupational Health and Safety	Responsible Gaming	Risk Management
Total Number of Directors	10	0	0	0	0	0	0	0	0
Executive Experience									
Experiences in senior positions at executive levels	10	0	0	0	0	0	0	0	0
Strategic Planning and Execution									
Ability to develop and implement successful strategy and deliver agreed strategic planning goals	10	0	0	0	0	0	0	0	0
Risk Management									
Experience in the oversight and management of material business risk including Board Risk Management Committee membership	10	0	0	0	0	0	0	0	0
Financial Acumen									
Senior executive or equivalent experience in financial planning and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements	0	0	0	0	0	0	0	0	0
Governance									
Experiences with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance frameworks	10	0	0	0	0	0	0	0	0
Occupational Health and Safety									
Experiences in relation to workplace health and safety	0	0	0	0	0	0	0	0	0
Environment and Sustainability									
Experiences in relation to environmental and social responsibility and compliance	0	0	0	0	0	0	0	0	0
Legal and Regulatory									
Experiences in legal and regulatory matters including regulatory and legislative frameworks governing gaming matters	10	0	0	0	0	0	0	0	0
Information Technology									
Senior executive experience in information technology including gaming systems and data security	0	0	0	0	0	0	0	0	0
Human Resources / Remuneration									
Experiences in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership	10	0	0	0	0	0	0	0	0
Capital Projects									
Senior executive experience in executing large scale projects with long-term investment horizons and substantial capital outlays	0	0	0	0	0	0	0	0	0
Sales and Marketing									
Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment	0	0	0	0	0	0	0	0	0
Industry Experience - Gaming and Entertainment									
Senior executive experience in the gaming and entertainment industry	0	0	0	0	0	0	0	0	0
Industry Experience - Hospitality and Management									
Senior executive experience in the hospitality, food and beverage industries	0	0	0	0	0	0	0	0	0
Industry Experience - Tourism									
Senior executive experience in the tourism industry	0	0	0	0	0	0	0	0	0
Industry Experience - Public Policy									
Experiences in public and regulatory policy including in relation to gaming related policy	0	0	0	0	0	0	0	0	0