



## Crown Resorts Limited (ABN 39 125 709 953)

Meeting of the Board of Directors held on Wednesday, 15 April 2020 at  
10.00am by videoconference

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**Present:**

Helen Coonan (Chairman)  
John Horvath (Deputy Chairman)  
John Alexander  
Ken Barton  
Andrew Demetriou  
Jane Halton  
Guy Jalland  
Michael Johnston  
Toni Korsanos  
Harold Mitchell  
John Poynton

Mary Manos (Secretary)

**By invitation:**

Mark Arbib  
Karl Bitar  
Barry Felstead  
Lauren Harris  
Alan McGregor  
Todd Nisbet  
Richard Murphy (MinterEllison (Agenda Item 8 only))  
Glen Ward (MinterEllison) (Agenda Item 8 only)

**Apologies:**

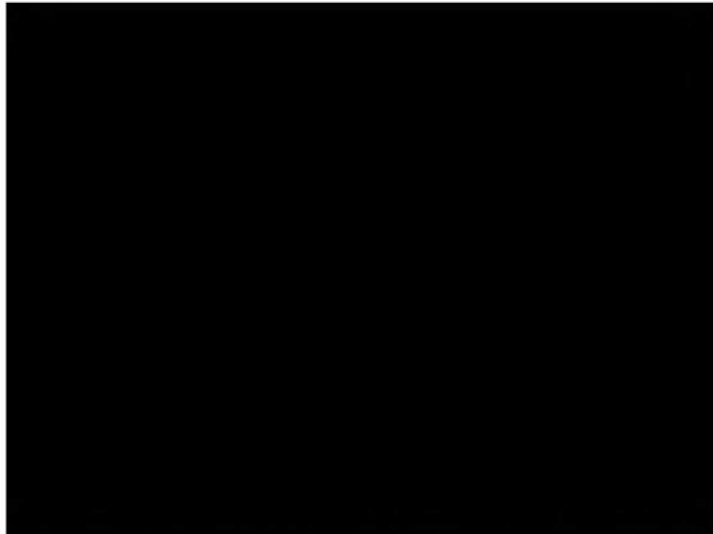
Nil

**Minutes of Meeting:**

***Draft Minutes of Meeting of the Board held on 18 February, 12 March, 22 March, 25 March, 29 March, 2 April and 8 April 2020***

It was **RESOLVED** that the draft Minutes of the Board Meeting held on 18 February, 12 March, 22 March, 25 March, 29 March, 2 April and 8 April 2020 be approved.

- Declaration of Interests:** Jane Halton noted that she had been re-elected as a director of Clayton Utz and as council member of the Australian Strategic Policy Institute.
- Matters Arising:** The Matters Arising paper was taken as read.
- It was noted that consideration was being given to the appropriate timing to hold the Strategy Day and to the location of the 2020 Annual General Meeting having regard to the COVID-19 situation.
- CEO's Update:** ***CEO's Report***
- The CEO's Report was taken as read.
- Ken Barton provided the Board with an update on the impact of COVID-19 on the business and the Company's responses as set out below.
- Employment Matters*
- Ken Barton advised the Board of the following:
- the progress made in respect of the stand-down process, with 95% of the Company's employees stood down, on a full-time or part-time basis, to date;
  - the initiatives in place to redeploy the Company's employees who had been stood down, with 320 placements and approximately 1,000 applications made to date;
  - management is continuing to work through the JobKeeper payment scheme and anticipates that most of the Company's employees will qualify to receive the \$1,500 payment per fortnight for six months;
  - the Company is continuing contact with all employees throughout this period;
- Financing Arrangements*
- Ken Barton noted that a financial model consistent with that included at Agenda Item 4.3 was provided to the banks in respect of the new financing arrangements and provided an update on the position in respect of the relevant covenants.
- It was also noted that the Company had secured \$560 million in bilateral facilities and that ANZ and SMBC had signed off on a term sheet in respect of the proposed \$450 million Crown Sydney project finance facility and the Company was awaiting approval from CBA, following which an announcement would be made to the ASX in this respect.






It was also noted that the Company had provided approximately 950 hotel rooms at Crown Melbourne and 600 hotel rooms at Crown Perth as part of a Government initiative to accommodate those who are required to self-isolate which represents approximately \$3 million per month in revenue.

Ken Barton and Barry Felstead also advised the Board that management was progressing its post COVID-19 re-opening scenario plans, which would have specific regard to the reactivation and training of staff, recommissioning of key infrastructure, marketing planning around lifecycle management and procurement. Ken Barton noted that C|T Group was assisting with re-opening and re-engagement planning. It was also noted that approaches would be made to relevant State Governments to pursue a number of initiatives to support the re-opening scenarios.

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

#### ***Full Year Forecast***

Alan McGregor presented the revised F20 forecast to the Board highlighting the following:

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Mary Manos advised the Board that the Company would continue

to monitor the Company's internal forecasts against analyst consensus, particularly after the Company provides its detailed update to the market.

It was **RESOLVED** that the revised F20 forecast be noted.

#### ***Financial Summary***

Alan McGregor presented the Financial Summary slides, noting:

- that the financial model to June 2021 was developed to assist with the financing arrangements and to assess the Company's liquidity and gearing position over this period;
- the key assumptions detailed in the presentation, including in the downside scenario; and
- that net debt is expected to peak at approximately \$1.3 billion in January 2021.

#### ***Summary of Stand Downs***

The Summary of Stand Downs presentation was taken as read.

Ken Barton provided the Board with an overview of the stand-down process, noting, among other matters that:

- majority of senior non-KMP executives had been stood down to between 40-60% with the exception of the legal, finance, payroll, human resources and hotel and food & beverage teams; and
- although the management KMP were expected to continue working largely on a full-time basis, they were proposing to take a reduced salary as indicated in the presentation as either a pre-tax deduction to a charitable cause or a straight 20% salary reduction.

The Board discussed the proposed salary reduction for the management KMP and noted that a straight salary reduction would be most appropriate in these circumstances.

#### ***Crown Community Job Network***

The paper with respect to this item was taken as read and it was noted that the Board would continue to be presented with progress updates on this initiative at future meetings.

#### **Australian Resorts Update:**

#### ***Crown Melbourne***

The Crown Melbourne paper was taken as read.

**Crown Perth**

The Crown Perth paper was taken as read.

**Crown Sydney**

The Crown Sydney paper was taken as read.

Jane Halton provided the Board an overview of matters considered at the 9 April 2020 Crown Sydney Board meeting, including the following:

- the status of the development of Crown Sydney and operational planning for opening;
- the proposed project finance facility, community partnerships and operating structure; and
- the restaurant and tenancy arrangements, including that discussions were continuing with Claire Smyth in light of COVID-19 restrictions and should that arrangement not proceed, an alternative offering would be able to be progressed with little disruption to the business.


**Other Businesses:**

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

**Brand Update:**

The Brand Update paper was taken as read.

Ken Barton advised the Board that C|T had advised that the Company should focus on the following areas:

- the Company's community initiatives during COVID-19;
  - internal communications with employees;
  - messaging for re-opening; and
  - compliance and governance continuous improvements.
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**Development Report:**

The Development Update was taken as read.

Among other matters, Todd Nisbet advised the Board that there had been four instances of COVID-19 on site which resulted in project area shutdowns and sanitisation processes and that completion of the residential portion of the project was expected to occur in a staged manner from March 2021 to July 2021.

It was also **RESOLVED** that the Development Update be noted.

**Financing Arrangements Update:**

The paper with respect to this item was taken as read.

It was noted that the matters set out in this paper had already been addressed earlier in the meeting.

**Investor Relations Report:**

The Investor Relations Report was taken as read.

Mary Manos advised the Board that Perpetual Limited had recently increased its shareholding in the Company to 9.33% and that it had also approached management to initiate an introduction with the New South Wales regulator but did not state the reasons for this.

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

**Committees:*****Occupational Health and Safety Committee – Draft Minutes of Meeting held on 25 March 2020***

The draft minutes were taken as read.

It was noted that this meeting was held as a joint meeting with the Risk Management Committee to consider the COVID-19 measures implemented by the Company and the Company's proposed Human Biosecurity Project.

It was **RESOLVED** that the draft minutes of meeting of the Occupational Health and Safety Committee held on 25 March

2020 be noted.

***People, Remuneration and Nomination Committee – Draft Minutes of Meeting held on 11 March 2020***

The draft minutes were taken as read.

Harold Mitchell noted that the Board had already considered the matters addressed by the Committee at its 11 March 2020 meeting.

It was **RESOLVED** that the draft minutes of meeting of the People, Remuneration and Nomination Committee held on 11 March 2020 be noted.

***Responsible Gaming Committee – Draft Minutes of Meeting held on 1 April 2020***

The draft minutes were taken as read.

John Horvath noted that:

- the Responsible Gaming Advisory Panel was reviewing the Company's Responsible Gaming Framework and would be invited to present its recommendations to the Committee at a future meeting; and
- a number of Responsible Gaming staff were continuing to work on reduced hours through the closures to continue to progress the Company's responsible gaming initiatives.

It was **RESOLVED** that the draft minutes of meeting of the Responsible Gaming Committee held on 1 April 2020 be noted.

***Risk Management Committee – Draft Minutes of Meeting held on 25 March 2020***

The draft minutes were taken as read.

Jane Halton noted that, in addition to the COVID-19 update provided to the joint meeting with the Occupational Health and Safety Committee, the Committee approved:

- a proposal to add Japanese and Korean racing events to Betfair's betting platform; and
- a draft response to the Fair Work Ombudsman notifying it of the mapping and payroll compliance assessment being undertaken by the Company.

Ken Barton advised the Board that following the introduction of Japanese racing events to Betfair's betting platform, the Japanese Racing Association sent a letter requesting that Betfair cease offering betting markets on Japanese racing and that Betfair had engaged Melanie Brock to assist with this matter.



It was **RESOLVED** that the draft minutes of meeting of the Risk Management Committee held on 25 March 2020 be noted.

**Future Meetings:**

The Board noted the future meeting dates and it was noted that an additional meeting would be scheduled in the month of May.

***"In Camera" Session:***

Management left the meeting at the commencement of this Agenda Item.

The Chief Executive Officer subsequently informed the Company Secretary of the following matters which were discussed during the "in camera" session.

The Chair invited directors to comment on remuneration matters for the Company's KMP, including the Non-executive Directors, noting that the directors had been provided with a summary of remuneration reduction approaches taken by other companies in response to COVID-19.

Harold Mitchell informed the directors that, in his capacity as Chair of the People, Remuneration and Nomination Committee, he had discussed this matter with the Chair and had suggested a 40% reduction in Non-executive Director fees for the duration of the shutdown.

The Chair then invited the other directors' views and asked whether the Non-executive Director fee reduction should mirror the approach proposed to be taken by the Senior Executives, being a 20% reduction for the remainder of the financial year.

The directors agreed that the Non-executive Director fee reduction should mirror the approach proposed to be taken by the Senior Executives, being a 20% reduction in fees for the remainder of the financial year.

It was noted that the People, Remuneration and Nomination Committee would also re-consider the Company's Long-Term Incentive plan and the possibility of introducing a Non-executive Director share purchase scheme in due course.

It was **RESOLVED** that, subject to final approval of the Chair, the management KMP and Non-executive Director fees would be reduced by 20% from 16 April to 30 June 2020.

**Closure:**

There being no further business, the meeting was declared closed at 1.05pm.

Signed as a correct record



Chairman