



Crown Resorts Limited

(ABN 39 125 709 953)

Meeting of the Board of Directors held by videoconference
on Tuesday, 18 August 2020 at 9.30am

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) (All Agenda Items other than Agenda Item 18)
By invitation:	Karl Bitar (Agenda Items 1 to 4.1 only) Lauren Harris (All Agenda Items other than Agenda Item 18) Alan McGregor (All Agenda Items other than Agenda Items 17 and 18) Todd Nisbet (All Agenda Items other than Agenda Items 17 and 18) Richard Murphy (MinterEllison) (Agendas Item 8 to 10 only) Glen Ward (MinterEllison) (Agenda Item 8 to 10 only)
Apologies:	Mark Arbib Barry Felstead
Minutes of Meeting:	<i>Draft Minutes of Meeting of the Board held on 16 June 2020, 9 July 2020, 21 July 2020, 5 August 2020 and 10 August 2020</i>

The Board confirmed that there were no additional matters arising from the 'in camera' section of the previous meetings for inclusion in the draft minutes.

It was **RESOLVED** that the draft Minutes of the Board Meetings held on 16 June 2020, 9 July 2020, 21 July 2020, 5 August 2020 and 10 August 2020 be approved.

Written Resolutions of the Board dated 30 June 2020 and 27 July 2020

It was **RESOLVED** that the Written Resolutions of the Board dated 30 June 2020 and 27 July 2020 be noted.

Declaration of Interests:

No new declarations of interests were noted.

Matters Arising:

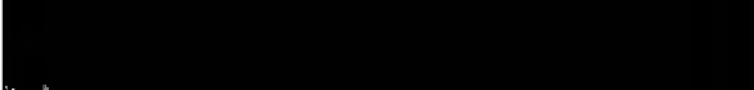
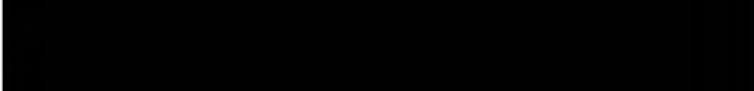
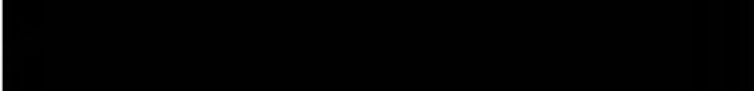
The Matters Arising paper was taken as read.

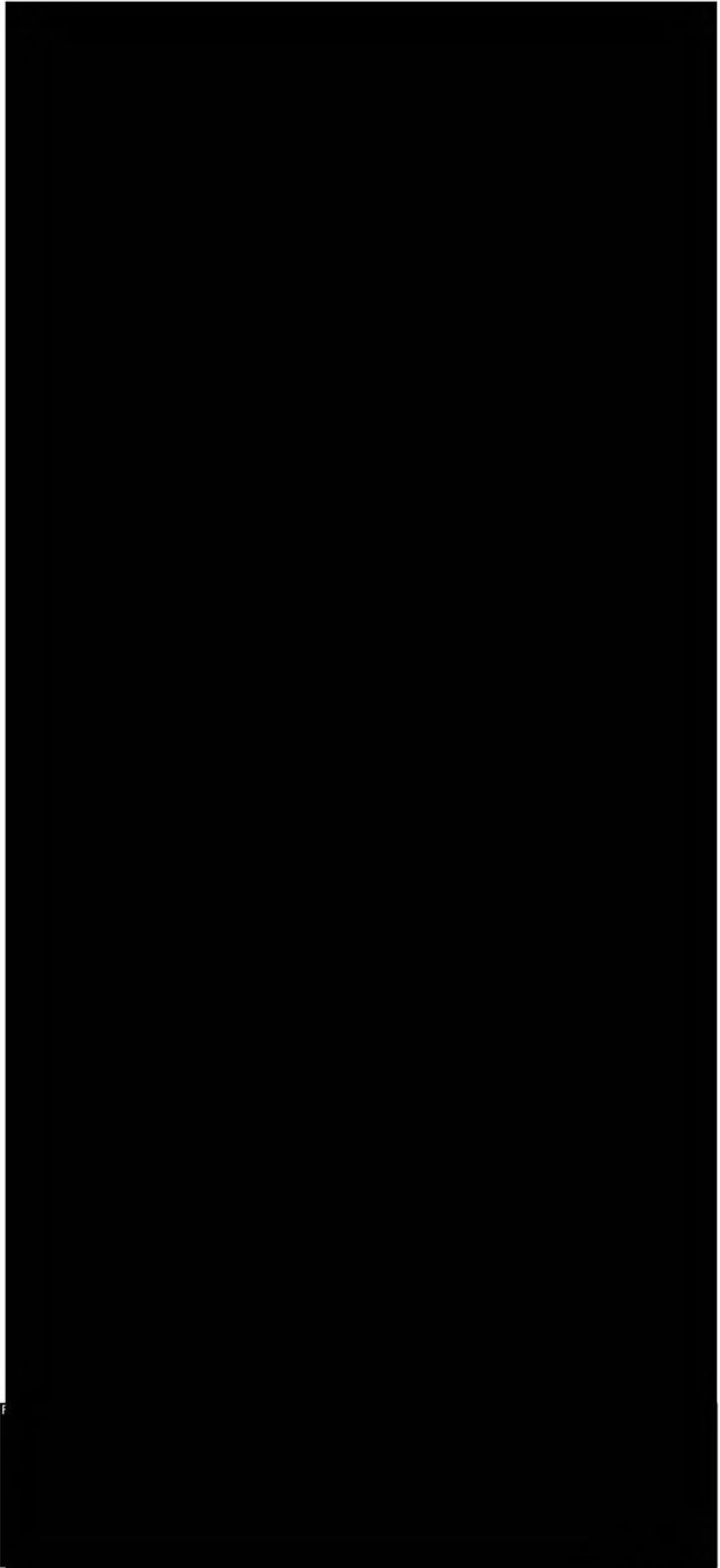
CEO's Update:

CEO's Report

The CEO's Report was taken as read.

Among other matters, Ken Barton noted the following:

- 
- 
- 
- 
- 
- 
- 



REDACTED - PRIVILEGE



In relation to Crown Sydney, Helen Coonan requested that the status of all regulatory approvals required for commencement of operations be circulated in due course.

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

Financial Summary and F21 Forecast

Alan McGregor presented the Financial Summary and F21 Forecast which was taken as read.

Among other matters, it was noted that:



documentation, including the mandated insurance requirements and proposed liability regime, the Board determined not to participate in the tender.

It was **RESOLVED** that the Financial Summary and F21 Forecast be noted.

Australian Resorts Update:

Crown Melbourne

The Crown Melbourne paper was taken as read.

Andrew Demetriou provided the Board with an overview of matters considered at the 10 August 2020 Crown Melbourne Board meeting, including the following:

- The Board was provided with an update on Crown Melbourne's F20 performance and the continuing impacts of COVID-19 on the business with 93% of employees continuing to be fully stood down, with this number expected to increase during Stage 4 restrictions.
- The Board was also provided with an update on the work that the AML team was undertaking noting that the joint AML/CTF Program and a new AML training program was scheduled to be rolled out to the business upon re-opening of Crown Melbourne.
- The identification of some anomalies in the Riverbank Investments Pty Ltd bank account and the treatment of those deposits.

Ken Barton advised the Board that the Company was seeking to defer the Recommendation 20 meeting with the VCGLR following the conclusion of the ILGA Inquiry.

Crown Perth

The Crown Perth paper was taken as read.

John Poynton provided the Board with an overview of matters considered at the 13 August 2020 Crown Perth Board meeting, noting that the AML/CTF update presented to the Crown Perth Board was consistent with the Crown Melbourne presentation. John Poynton advised that implementation of the cashless facility at Crown Perth had been successful with the Regulator scheduled to review the overall program. A request was made by the Crown Perth Board to consider further capital investment in Crown Perth as appropriate and available to address the wear and tear at the property.

REDACTED - PRIVILEGE

REDACTED - PRIVILEGE

Crown Sydney

The Crown Sydney paper was taken as read.

Jane Halton advised the Board that the Crown Sydney Board met in July to consider the Crown Sydney launch plan, noting that the Board requested that the plan be updated to reflect social distancing requirements and current market conditions.

It was also noted that discussions were continuing with Clare Smyth.

The Board discussed the Company's relationship with Government and regulators in New South Wales, noting that the appointment of Tanya Bains was aimed at improving the relationship.

Other Businesses:

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

Results for the Full Year ended 30 June 2020:

Draft Results Presentation and ASX Announcement

Ken Barton noted that the Board was provided with a revised draft ASX Announcement and presentation which was included at Agenda Item 7.1.1 and led a page turn of the draft Results Presentation.

REDACTED - PRIVILEGE

It was **RESOLVED** that the draft ASX Results Announcement and Presentation be approved for release subject to any amendments suggested by the Board and subject to the final approval by a committee comprised of the Chairman and Chief Executive Officer.

Audit and Corporate Governance Committee – Draft Minutes of Meeting held on 12 August 2020

REDACTED - PRIVILEGE

Draft ASX Appendix 4E

The Draft Appendix 4E was taken as read.

Alan McGregor noted that the version presented to the Board incorporated feedback received from the Audit and Corporate Governance Committee.

It was **RESOLVED** that the:

- £29.2million impairment charge for Crown Aspinalls;
- US\$15 million impairment charge for the Company's investment in Nobu; and
- draft Appendix 4E,

be approved for release subject to the final approval by a committee comprised of the Chairman and Chief Executive Officer.

Accounting Issues

The Accounting Issues paper was taken as read.

Alan McGregor provided the Board with an update on the covenant calculations which were set out in the paper.

It was **RESOLVED** that the Accounting Issues paper be noted.

Dividend Recommendation

The Dividend Recommendation paper was taken as read.

REDACTED - PRIVILEGE

It was **RESOLVED** that a final dividend not be declared subject to the final approval by a committee comprised of the Chairman and Chief Executive Officer.

Financial Support for Crown Melbourne

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

REDACTED - PRIVILEGE

The meeting was adjourned for 10 minutes at 11.40am.

AML/CTF Update:

The AML/CTF Update paper was taken as read.

It was noted that the Crown Melbourne Limited and Burswood Limited Boards and the Risk Management Committee were presented with the detailed AML/CTF Update paper at their most recent meetings.

Among other matters, Ken Barton, highlighted the following:

- AUSTRAC is in the process of developing a new money laundering and terrorism financing (ML/TF) risk assessment which will focus on Australia's casino sector, excluding junket tour operators and intended to issue a s167 Notice in support of that process; and
- the Joint Program would be progressively implemented at Crown Perth and upon commencement of operations at Crown Melbourne.

The Board discussed the proposed review of the Company's AML framework and reporting systems and processes, noting that a review would take approximately 6 to 8 weeks to complete.

Helen Coonan advised that she had been contacted by Jeff Carmichael and Peter Kell regarding the approach made to Promontory to undertake the review.

Jane Halton noted that in the Risk Management Committee meeting, she had requested that AML be specifically referenced in the Company's risk reporting.

ILGA Inquiry Update (privileged and confidential):

REDACTED - PRIVILEGE



REDACTED - PRIVILEGE

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

REDACTED - PRIVILEGE

REDACTED - PRIVILEGE

Development Report:

The Development Update was taken as read.

Crown Sydney

Among other matters, Todd Nisbet highlighted the following:

- Contact had been made with residential buyers in preparation for settlement commencing in March 2021.
- Pre-opening meetings with the Government had commenced with site reviews to commence in October 2020.
- In accordance with a requirement of the Crown Sydney project finance facility, an additional contingency has been added to the budget which will reduce as the project nears completion.

Queensbridge

Crown Melbourne Development Site

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

Treasury and Compliance Report: The Treasury and Compliance Report was taken as read.

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

Investor Relations Report: The Investor Relations Report was taken as read.

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

Committees: ***ASIC Special Purpose Committee – Draft Minutes of Meeting held on 9 July 2020***

It was **RESOLVED** that the draft minutes of meeting of the ASIC Special Purpose Committee held on 9 July 2020 be noted.

Audit and Corporate Governance Committee – Minutes of Meeting held on 18 June 2020 and Written Resolution dated 8 July 2020

It was **RESOLVED** that the draft minutes of meeting of the Audit and Corporate Governance Committee held on 18 June 2020 and Written Resolution dated 8 July 2020 be noted.

Corporate Responsibility Committee – Minutes of Meeting held on 12 August 2020

Harold Mitchell noted that the Committee had requested that management continue to progress the presented initiatives notwithstanding the closure of Crown Melbourne.

It was **RESOLVED** that the draft minutes of meeting of the Corporate Responsibility Committee held on 12 August 2020 be noted.

Occupational Health and Safety Committee – Draft Minutes of Meeting held on 11 August 2020

John Horvath noted that the Committee had considered the proposed disclosure of the Company's TRIFR performance in its Annual Report having regard to feedback from proxy advisers and that the Committee had endorsed the proposal for approval by the Board.

It was **RESOLVED** that the Company disclose its TRIFR performance in its 2020 Annual Report.

It was **RESOLVED** that the draft minutes of meeting of the Occupational Health and Safety Committee held on 11 August

2020 be noted.

People, Remuneration and Nomination Committee – Draft Minutes of Meeting held on 7 August 2020 and Written Resolution dated 28 July 2020

It was noted that the matters arising from the 7 August 2020 Committee meeting would be addressed at Agenda Item 17.

It was **RESOLVED** that the draft minutes of meeting of the People, Remuneration and Nomination Committee held on 7 August 2020 and Written Resolution dated 28 July 2020 be noted.

Responsible Gaming Committee – Draft Minutes of Meeting held on 11 August 2020

The draft minutes were taken as read.

John Horvath noted that the Responsible Gaming Advisory Panel had provided its recommendations on the Company's Responsible Gaming Framework and presented to the Committee at its August meeting.

John Horvath requested that the recommendations of the Responsible Gaming Advisory Panel be provided to the full Board for review.

It was also noted that work was continuing on the Responsible Gaming requirements for Crown Sydney.

It was **RESOLVED** that the draft minutes of meeting of the Responsible Gaming Committee held on 11 August 2020 be noted.

Risk Management Committee – Draft Minutes of Meeting held on 12 August 2020

The draft minutes were taken as read.

Jane Halton provided the Board with an overview of matters considered at the 12 August 2020 Committee meeting, including the following:

- At the request of the Committee, the Deloitte report on Junket Processes had been included in the Board papers at Agenda Item 16.
- The request to reconsider the presentation of the Material Risk Report.

It was requested that, going forward, there be six standing Risk Management Committee meetings a year which would be scheduled for three hours each.

It was **RESOLVED** that the draft minutes of meeting of the Risk Management Committee held on 12 August 2020 be noted.

Other Business:***2020 Annual General Meeting***

The 2020 Annual General Meeting paper was taken as read.

Mary Manos noted the directors proposed to stand for re-election at the 2020 Annual General Meeting, noting that John Alexander had expressed an intention to retire as a director at the conclusion of the meeting.

Having regard to the matters set out in the paper, it was **RESOLVED** that:

- an Annual General Meeting of the Company be convened on 22 October 2020 commencing at 10.00am (Melbourne time), to be held online (by virtual means);
- notice of the Annual General Meeting, in the manner required by the Corporations Act and in a form required by the Company's Constitution, be given to each member, each director and to Ernst & Young (the Company's auditor); and
- the Company Secretary be authorised to prepare the Notice of Meeting and to take such steps as are necessary to procure service of the Notice.

External Auditor Appointment

The External Auditor Appointment paper was taken as read.

Having regard to the recommendation of the Audit and Corporate Governance Committee, it was **RESOLVED** that KPMG be appointed as the Company's external auditor for the financial year beginning 1 July 2020 subject to receipt of the following:

- written consent from KPMG to act as the Company's external auditor;
- consent from the Australian Securities and Investments Commission to Ernst & Young's resignation to take effect from the conclusion of the Company's 2020 Annual General Meeting;
- all necessary regulatory approvals; and
- shareholder approval at the Company's 2020 Annual General Meeting.

Toni Korsanos suggested that, going forward, the Audit and Corporate Governance Committee be required to approve the provision of non-audit services by KPMG to the Company.

Director Training

The Director Training paper was taken as read.

Helen Coonan noted that directors would be required to complete the online training modules.

OH&S F20 Performance Report

Alan McGregor presented the OH&S F20 Performance Report, highlighting that the F20 health and safety performance was impacted by COVID-19.

It was **RESOLVED** that the OH&S F20 Performance Report be noted.

Future Meetings

The Board noted the future meeting dates.

Risk Matters:

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

The Board noted the initial draft Deloitte Report and the recommendations made by Deloitte to further enhance the Company's junket approvals processes.

The Board discussed the focus areas of the review undertaken by Deloitte and noted that further work was required in this respect, including in relation to ongoing monitoring of continuing relationships and junket financier due diligence processes.

Ken Barton noted that the Company would be suspending all junket relationships until a comprehensive review of those relationships was complete. He also advised of additional measures the Company was taking in this respect, including with the input of Nick Kaldas and the proposed engagement of Promontory.

It was **RESOLVED** that the recommendations of Deloitte be adopted by the Company and that the additional matters discussed by the Board be progressed, with the Board to retain oversight of the progress made in relation to these matters.

Remuneration Matters:***Senior Executive Appointment***

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

It was **RESOLVED** that, having regard to the recommendation of the People, Remuneration and Nomination Committee:

- John Salomone be appointed as the Chief Financial Officer – Australian Resorts subject to the receipt of any necessary

regulatory approvals;

- it is in the Company's best interests to enter into the Employment Agreement with John Salomone;
- the Chief Executive Officer be authorised to negotiate the final form of the Employment Agreement within the parameters presented;
- the Employment Agreement be hereby approved;
- the Employment Agreement be executed by two directors or a director and secretary of the Company; and
- any director or secretary of the Company be authorised to sign, complete, make, execute, deliver, endorse, issue or file with any person all other documents and to pay all such payments as any of them may deem necessary or advisable in order to carry out or give effect to the above resolutions and to do all things necessary or desirable relating to the above resolutions.

It was further **RESOLVED** that a remuneration increase for John Salomone as set out in the paper with respect to this item be approved.

Board and Committee Evaluation

The Board and Committee Evaluation paper was taken as read.

Helen Coonan thanked the directors for their participation in the Board and Committee evaluation, noting that she would be conducting an interview process with the directors in conjunction with Harold Mitchell as Chair of the People, Remuneration and Nomination Committee to assist in the development of a formal Board succession plan.

Mary Manos noted that, as part of the Board and Committee evaluation, majority of the directors expressed a desire to achieve 30% female representation on the Board within two years.

It was **RESOLVED** that the Company adopt an objective to achieve 30% female representation on the Board within two years.

It was noted that, with John Alexander's intended resignation from the Board, the Company would be in a position to achieve this objective.

F20 and F21 Remuneration Recommendations

Having regard to the matters set out in the paper which were presented by Harold Mitchell to the Board and the recommendations made by the People, Remuneration and Nomination Committee, it was **RESOLVED** that:

- no STI payments be made in respect of F20 with the exception

of project related bonuses for the Crown Sydney project Team and a discretionary bonus to be made available to key executives involved in the ILGA Inquiry, other than Mr Joshua Preston;

REDACTED - PRIVILEGE

- the F21 remuneration arrangements for Selected Senior Executives and other employees be set within the principles set out in the paper with respect to this item;
- from F21, a component of the short-term incentive for key management personnel be deferred for one year (STI Deferred Component);
- the STI Deferred Component be set at 50% for the Chief Executive Officer – Crown Resorts and the Chief Executive Officer – Australian Resorts and 25% for other members of the Company’s key management personnel;
- the Chief Executive Officer, in consultation with the other members of the Company’s key management personnel, consider whether a STI Deferred Component be set for the senior executives whose TEC is greater than \$500,000;
- the terms of the Australian Resorts Short Term Incentive Plan be reviewed more broadly, with any recommendations to be considered by the People, Remuneration and Nomination Committee; and
- a review of Crown’s existing long-term incentive plans be progressed to ensure they are fit for purpose.

Performance Review – Chief Executive Officer

The Performance Review – Chief Executive Officer paper was taken as read.

The Board noted the achievements of the Chief Executive Officer during the time since his appointment and the challenges presented by COVID-19.

It was noted that the Committee conducted a review of the key performance indicators for the Chief Executive Officer and recommended that they be updated for F21, subject to consultation with Ken Barton, to add a compliance and regulatory objective with a 15% weighting, resulting in the following weighting adjustments:

1. Achieving the Board approved budget for FY2021 and subsequent years ‘within Board approved risk parameters’ – reducing to 25%; and
2. Improving the executive team functionality including by

increasing trust, shared purpose and the strength of interpersonal relationships – reducing to 15%.

Having regard to the above and the performance evaluation which was undertaken, it was **RESOLVED** that the Chief Executive Officer’s performance indicators be adjusted for F21 as set out above and that the performance evaluation be noted and approved.

“In Camera” Session:

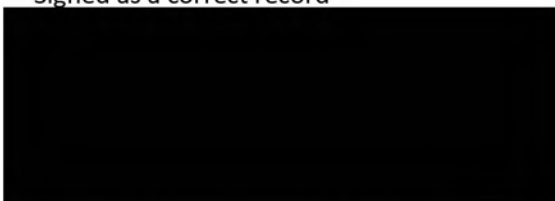
Management, other than the Chief Executive Officer, left the meeting at the commencement of this Agenda Item.

The Chair subsequently informed the Company Secretary that the Board agreed to expand the decision to review culture, to include an external review and Board oversight.

Closure:

There being no further business, the meeting was declared closed at 1.45pm.

Signed as a correct record



.....
Chairman