

## **Full transcript of 2019 Crown Resorts AGM**

*This is a full transcript of the 2019 Crown Resorts AGM, taken from this [audio webcast](#) of the meeting on October 24. The company declined to supply a transcript to shareholders, so we commissioned one.*

### **John Alexander**

Good morning ladies and gentlemen. My name is John Alexander and I'm the Executive Chairman of Crown Resorts Limited. On behalf of your board of directors, I welcome you to the 2019 Crown annual general meeting and thank you for your attendance. I would like to start by introducing your directors. Starting on the far end on my right, John Poynton, Andrew Demetriou, Toni Korsanos and Mike Johnston. On my left is Geoff Dixon, Guy Jalland and John Horvath, Helen Coonan, Jane Halton and Harold Mitchell.

Also with me on the stage today is Mary Manos, our company secretary and Ken Barton, our chief financial officer. Also in attendance is Crown's auditor for the 2019 financial year, Michael Collins from Ernst and Young. To commence our formal proceedings I would like to introduce Jacinta Cubillo who will provide the Acknowledgement of Country.

### **Jacinta Cubillo**

Good morning. I'd like to commence by acknowledging the traditional owners on the land of which we meet here today, the Wurundjeri and Boon Wurrung people of the Kulin Nation and pay my respects to their elders past, present and emerging. Thank you.

### **John Alexander**

Thank you, Jacinta. As a quorum is present, I will now declare the meeting open. The notice of meeting was sent to all shareholders and copies are available at the registration desk. I will take the notice of meeting as read. Thank you. And as a courtesy to all present, could I please ask that you turn off your mobile phones? Thank you.

Shareholders, I am extremely proud to be the Executive Chairman of this company. Crown is one of Australia's largest entertainment groups and makes a major contribution to the Australian economy through its role in tourism, employment, training and its corporate responsibility programs.

Crown is an iconic Australian tourist destination. Over the last five years, Crown has invested over \$1.1 billion into its Melbourne and Perth properties to ensure they remain globally competitive. This is a significant investment and is in addition to the \$2.2 billion being spent to deliver Crown Sydney, of which over half has been spent to date. Crown Melbourne and Crown Perth attracted over 32 million visits last financial year, making them amongst Australia's most visited tourist attractions.

We are proud to be the largest single-site private sector employer in both Victoria and Western Australia with about 18,500 people working across our resorts in over 700 different roles. That is jobs for 18,500 people, that pays the rent and bills for thousands of families in Melbourne and Perth. At Crown Sydney, there are currently over 1,000 people working on site, and at its opening in little over a year it is expected to employ over 2,000 people. We look forward to welcoming these employees into the Crown community as we get closer to the opening of Crown Sydney.

At Crown we invest in our people. We are committed to helping our staff with meaningful learning and development opportunities. We have in place a number of leading employment

programs, including CROWNability and the Indigenous Employment Program, which each employ a significant number of people. Crown also supports, and this is very important, an ecosystem of indirect jobs, spending over \$900 million annually with about 4,000 local businesses in Victoria and Western Australia. This, again, will grow as we expand into Sydney.

Crown continues to be a significant tax payer. In the latest financial year, Crown incurred over \$650 million in taxes to all levels of government in Australia. That represents about two-thirds of Crown's pre-tax profits.

Crown also recognises its responsibility to the communities in which it operates and is proud to support a number of charities and employee-led community programs. Crown also provides financial support to many worthwhile community groups and charities through the Crown Resorts Foundation.

Now I would like to turn my attention to some of the recent media reporting about our business. There have been a number of sensationalist and unproven claims made, with many focussed on allegations from over five years ago. Let me be clear – Crown does not tolerate any illegal activity by its employees or its patrons. Unfortunately there are a number of interests and activists who continue to pursue an anti-Crown agenda.

Take for example one story from last week with more of these sensationalist claims. To give you a taste of the quality of this journalism, let me quote from the article itself – “The Age and The Sydney Morning Herald have been unable to independently verify the material.” Now as someone who has 50 years' experience in journalism and media management, 40 active years in this country, and someone who was once Editor-in-Chief of both the Sydney Morning Herald and the Australian Financial Review, I have never seen a quality news organisation publish a story it openly admits it hasn't been able to verify.

So, let me share with you some of the facts that can be “independently verified”. Crown operates in one of the most highly regulated and supervised industries in Australia. Our business is subject to ongoing review and monitoring by multiple State gaming regulators and Federal agencies. Crown has undergone multiple formal assessments by AUSTRAC on its compliance with its AML and Counter Terrorism Finance Programs, both in Melbourne and Perth. Every year, we report many thousands of transactions to AUSTRAC in compliance with our obligations.

The CEO of AUSTRAC, Nicole Rose, recently said that Crown is, and I'll quote her, “very good at complying with what we require them to comply with, they've got good systems and good compliance for AML/CTF.”

And just on Tuesday this week in Canberra, the Secretary of the Department of Immigration and Border Protection, Mike Pezzullo, rejected allegations Crown was bypassing the visa process. Giving evidence to a Senate estimates here and, he said, and quoting, "No-one can come to Australia without a visa, so the suggestion that people come uncredentialed is wrong." Later, he went on to say, again quoting, "The law is applied universally. So, when you ask if we have a double standard and carve out particular entities, the answer is no."

Crown is governed by more than 100 different pieces of legislation, regulations and government authorised policies. We have a strong record of co-operation with law enforcement bodies and regulators. Last year Crown received and responded to over 2,200 requests for information and footage from Commonwealth and State based agencies to assist in their investigations. As the media well knows, we are unable to comment about the specifics of those matters due to legal constraints including privacy laws and AML legislation.

Let me make this very clear – Crown has no interest in being used by those who seek to do the wrong thing. Crown has the greatest interest in implementing and maintaining good corporate governance practices. Our business and over 18,000 jobs rely on it.

Now I do acknowledge that these sensationalist allegations have raised some concerns amongst our stakeholders – be they shareholders, government, regulators, and the very people who visit our resorts. I can personally assure you we are taking these matters seriously. And to our valued employees – I know it may concern you to hear these claims, but you should continue to be proud to come to work at Crown every day.

The Victorian and New South Wales regulators have taken a decision to examine issues raised in recent media reports and, out of respect for those inquiries, I won't, and can't, go into any detail. We look forward to fully cooperating as we have always done and addressing these allegations.

The current reporting aside, Crown continues to progress the implementation of the 20 recommendations from the last five yearly review by the VCGLR, that's our local regulator. Crown remains on track to respond to all the recommendations within the timeframes agreed with the regulator. Should any of the inquiries identify any opportunity to improve the effectiveness of our processes, we will welcome those recommendations, as we have done in the past. We are always striving to improve all aspects of our operations – that's our commitment to you.

Now I would now like to touch on the 2019 financial results. The full details of Crown's results were provided in our ASX results release in August as well as in our Annual Report, which was sent to shareholders in September. Therefore, I will provide just an overview of the financial results today.

For the full year ended June 30, Crown announced normalised EBITDA of \$802 million, down 8.7% on the previous year, and normalised net profit after tax of \$369 million, down 4.7% on the previous year. This result reflected subdued market conditions, with a reduction in VIP program play revenue and continued softness in Perth partly offset by modest revenue growth in Melbourne's local businesses. Crown's reported net profit after tax before significant items was \$402 million, up 23.0% on the previous year, which takes into account a favourable win rate experienced at Crown's Melbourne and Perth resorts.

We are pleased to have grown visitation at both of our Australian resorts during the year, demonstrating that Crown remains an attractive entertainment and tourist destination. Subdued revenue growth across Crown's main floor businesses was largely driven by lower average customer spend, which was symptomatic of the consumer environment and the wider economy. During the year, operating margins were impacted by increased costs across both properties, particularly labour costs.

Crown continues to deliver cash returns to shareholders. A final dividend of 30 cents per share was declared, bringing the total dividend for the year to 60 cents per share, which is in line with our dividend policy. During the year, Crown also bought back about \$131 million worth of shares under an on-market share buy-back. Crown remains committed to maintaining an appropriate and efficient capital structure. At year end, Crown had net debt of \$87 million leaving its balance sheet well placed to deliver on its major focus areas, including the construction of Crown Sydney.

We have recently settled the dispute with the Australian Taxation Office in relation to the tax treatment of some of the financing for Crown's investment in Cannery Casino Resorts in North America. Whilst the terms of the settlement agreement are confidential, it does not result in material impacts to Crown's current or future year financial results.

Turning to more recent trading. Across our Australian resorts, for the period 1 July to 20 October 2019, revenue from main floor gaming (excluding VIP program play revenue) was up 2% on the prior corresponding period, while non-gaming revenue was broadly flat. Crown Melbourne's main floor gaming revenue was up on the previous period while non-gaming revenue was down. Crown Perth's main floor gaming revenue and non-gaming revenue have each shown growth on the prior corresponding period. VIP program play turnover at our Australian resorts decreased by 46% on the prior period, reflecting the difficult trading conditions in the international VIP market. The actual win rate experienced during the period was above theoretical. Crown's wagering and online social gaming revenue declined 4% on the previous period, with revenue declining for both Betfair Australasia and DGN.

I will now discuss some of our major areas of focus for this financial year. In Melbourne and Perth, Crown is continuing to work towards improving the underlying performance of its resorts through investments particularly to restore top line performance as well as through the management of costs. There are a range of projects being undertaken which have been designed to drive revenue growth. This includes investment into new premium gaming areas particularly at Crown Melbourne. We are also continuing to invest in new gaming product, as well as investigating ways to use technology to improve our marketing capability.

Crown is focussed on the delivery of Crown Sydney on time and on budget. Construction of Crown Sydney is progressing on schedule. The tower elevator core structure has now reached level 52, whilst the fit-out of the hotel guestrooms and suites is well advanced. The podium structure and exterior glazing is substantially complete. The resort is taking shape and has already become an indelible part of the Sydney skyline. Pre-opening activities have commenced and will escalate through the course of this financial year with a dedicated management team being formed and staff recruitment well underway in preparation for its opening in the first half of 2021.

We continue to progress sales for the residential component of the project "One Barangaroo" and were pleased to announce at our recent results that over \$450 million in sales had been contracted. The Crown Sydney project cost remains unchanged, with the gross project cost expected to be about \$2.2 billion and the net project cost expected to be about \$1.4 billion. Crown has recently settled the sight lines matter with Infrastructure New South Wales. Whilst the terms of the settlement remain confidential, we are very satisfied with the outcome.

In Victoria, Crown has reached agreement to acquire our joint venture partner's interest in the One Queensbridge development site. Once completed, which should be next month, this acquisition will give Crown full ownership of this strategically located site adjacent to the Crown Melbourne entertainment complex. We will continue to investigate options for this site, including the opportunity to accommodate a fourth Crown hotel, having regard to market conditions and the Board's risk appetite.

Crown acknowledges its responsibility to create a safe and rewarding workplace for our people. I would briefly like to touch on some important accomplishments over the last 12 months. During the year, Crown launched a purpose statement and set of values to guide our culture. Crown's purpose statement – 'Together we create memorable experiences' – captures the belief that, as a team, Crown has the ability to create experiences that are worth remembering. In delivering those experiences, Crown adheres to its four key values: we act respectfully; we are passionate; we work together; and we do the right thing. These reflect Crown's values and will be further embedded into all employment practices to ensure that employees and customers are at the heart of everything Crown does.

Crown's commitment to inclusive employment practices has continued to strengthen. Crown will shortly be releasing its first Gender Action Plan which further demonstrates a longstanding commitment to gender equity.

The conclusion of the 2019 financial year marks the five-year anniversary of the National Philanthropic Fund of the Crown Resorts Foundation and the Packer Family Foundation. To date, over \$83 million has been allocated to about 300 grant recipients. The Crown Resorts Foundation Board remains dedicated to identifying worthy organisations to support through the 10-year funding commitment and, in particular, to those aligned to its core mission to provide opportunities for young Australians, primarily through education. I would like to thank the Honourable Helen Coonan, Chair of the Crown Resorts Foundation, and Gretel Packer, Chair of the Packer Family Foundation, for their efforts in pursuing the objectives of the Foundations, as well as both Foundations' Boards.

Finally, and this is sad news, we are announcing today that Mr Geoff Dixon will retire as a director of Crown at the conclusion of today's Annual General Meeting. Personally, I would like to thank Geoff for his valuable contribution to Crown, having been on the Board since it was established as a separate listed entity in 2007. His experience and contribution has been invaluable. Thank you, Geoff. On behalf of the Board, I wish to sincerely thank all of our employees for their continued hard work and dedication. I would also like to thank you, as valued shareholders of Crown, for your ongoing support.

We will now resume the formal business of the meeting.

Our first item in business is to consider the financial statements and reports for financial year ended, June 30, 2019. As I said earlier, the annual report was sent to all shareholders who have elected to receive one and is available electronically on Crown's website. I will shortly invite questions from shareholders on Crown's financial statements and reports for the latest financial year. There's a few guidelines before I do so. Firstly, shareholders who do wish to ask a question, who wish to address the meeting, should first identify themselves to one of the microphone attendants, and confirm they are a shareholder or proxyholder. Only shareholders and proxyholders are entitled to ask questions at the meeting.

In the first instance, questions should be addressed to me as the Chairman of the meeting and if appropriate, I'll refer questions to one of my fellow directors or management or the auditor. Shareholders should limit themselves initially to two questions each, there may be an opportunity for a shareholder to ask more questions once others have had the opportunity to do so. Please keep the questions or comments to no more than two minutes, there'll be an opportunity at the end of the formal business of the meeting to ask general questions. Are there any other questions or comments regarding Crown's financial statements and reports?

**Facilitator**

Chairman introducing Geoffrey Bowd representing the Australian Shareholders Association.

**Geoffrey Bowd**

Thank you and good morning Mr Chairman.

**John Alexander**

Good Morning, Geoffrey.

**Geoffrey Bowd**

I represent the membership of the Australian Shareholders' Association, the ASA. We believe our views complement the views of many retail shareholders who are not members of the ASA. I hope I have your indulgence to present a brief scope, I won't go beyond the three minutes of our presence here today. I speak from notes as I'm, let's say, not as naturally loquacious as some others may be. We have proxies from 185 shareholders, a total of about 430,000 shares. We appreciate that this is a small parcel within the ownership of Crown Resorts, but this doesn't deter us from attempting to promote the concerns and best interests of retail shareholders. We endeavour to punch above our weight. I am the ASA representative today, but the voting intentions I express have been subject to quite an intensive review process within the ASA.

Mr Chairman, we have noted what you have said about performance and read what is in the annual report. Some of us in the ASA have had hands on business executive experience and this helps us to pragmatically apply what we call ASA guidelines for engagement with companies and voting on our AGM resolutions. We acknowledge the Crown Resorts is progressing through a period of transition from an enterprise which had extensive overseas exposure. We recognise that Crown is at the high end of the Australian hotel accommodation and resort market and casino activity has high weighting within that profile. They have been, as you've already covered very well publicly vented allegations relating to the casino business. However, we note that few if any other companies in Australia is subject to more regulation and ongoing oversight.

Crown has received the necessary regulatory approvals, again, you've covered this. We endorse the protocols for responsible gambling. We note in your annual report that you have seven pages entitled corporate responsibility and another 14 pages entitled corporate governance. This is a prominent 15% of the pages in that report and it's beyond question that Crown management and the board are accountable for the implementation and enforcement of that content. Once again, I appreciate comments you've already made. It's disappointing for shareholders that following the previous positive years, their return for the past financial year was a small negative, about minus 3%. However, we accept that it's credible that Crown Resort and Casino activity would have a tough time when international political and economic uncertainty impacts on high roller attraction and domestic cautiousness leads to care with disposable income, hence diluting the spend on entertainment such as casino gambling.

Through your transition phase I think the share has held around \$12-13 mark. Sometimes spiking a bit higher, sometimes a bit lower. We suggest that uncertainty about the ongoing CPH and Melco interest has a dampening effect on the share price. Perhaps you could comment on that. We appreciate that you've maintained the dividend and hope we can assume that your outlook sustains a similar level of payment.

Mr Chairman, one question I have, hotel accommodation, food, obviously it was the second question, I asked him about Melco and CPH. Hotel accommodation, food and beverage events, et cetera, i.e. non-gambling must be a significant earning segment which is likely to be even more significant after the Barangaroo Hotel and its residence open. If the Queensbridge facility is progressed, this too should have a major impact on non-gambling earnings.

At present there is some disclosure of non-gambling revenue on page 101 of the annual report, but not segmented earnings. It seems reasonable to suggest that going forward with your transition and developments, investors will be very interested in what are gambling and what are non-gambling earnings. Would you consider this segmentation in future reporting? Thank you.

**John Alexander**

Thank you, Geoffrey. I think that we have a history of listening to suggestions like that. And, one of the main ongoing areas of desire to break out revenue was, going back two years, the splitting out of slots revenue and tables revenue, and we listened, and we did that. So I'll take your question on notice and we'll consider it. And the end was it, what was the question, seriously, on Melco, CPH, if there was a question?

**Geoffrey Bowd**

It just suggested that there is perhaps a dampening of the share price because of the uncertainty surrounding CPH and Melco, and what's going on there?

**John Alexander**

Well I, look, there are lots of factors affect share prices, particularly at the moment. So, I've got nothing more to say about that. And there's an inquiry on the place, and we'll wait to see the results of the inquiry.

**Facilitator**

Chairman, introducing Tim Costello.

**Tim Costello**

Thank you, Mr Chairman. A question to you. In 2017, when Andrew Wilkie made the initial poker machine tampering allegations, Crown bought full page ads denying the claims, and effectively sledging the Independent Federal MP. Crown was later fined a record \$300,000 for machine tampering by the VCGLR. So the denials obviously lacked credibility. Mr Chairman, do you regret so vehemently denying those original allegations? Do you agree that the \$300,000 fine means that vehement denials and rebuttals, just as you've done this morning, lack credibility about all subsequent allegations? When will Crown say, "We did something wrong."

**John Alexander**

Thanks, Tim. No, I don't regret making those statements. And if you go back to... The implication of Mr Wilkie's allegations, that Crown was somehow tampering with its machines to reduce a return to players, which is, nothing could be further from the truth. It was a blanking plates issue. Blanking plates are not illegal. Changes to blanking plates are not illegal. It was an operational oversight, a mistake. And Mr Felstead, who's the CEO of Australian Resorts, might want to go into some more detail. But basically no, I don't regret making that statement.

**Barry Felstead**

Yeah, thank you, John. Thank you, Tim. In relation to blanking plates, that was thoroughly investigated by the VCGLR. They had their view of the matter; we had our view. We accepted a fine of \$300,000, and that was the end matter as far as we're concerned.

**Facilitator**

Chairman, introducing Stephen Mayne.

**Stephen Mayne**

Morning Chairman. I'm going to pick up that theme about, of Crown's approach of, sort of vehemently denying everything. It just... I agree with what Tim said that it just lacks credibility. And I'd like you to actually start making some stock exchange announcements. It's remarkable how few ASX announcements you've made responding to the various things as they've happened to inform the 50,000 shareholders. I mean, it's 50,000 shareholders who look to the ASX, and it's just barren in terms of you actually communicating with us.

And when you do communicate with us, it's often very threadbare. One paragraph, or one page. An example I want to give you is what's just happened this week. I mean, the federal government, through the Australian Commission for Law Enforcement & Integrity, has announced Operation Angove. Public hearings into allegations of corruption in interactions between the Department of Home Affairs and Crown Casino. This is the Australian government.

There's four days of public hearings next week at the Victorian County Court. Now you haven't even mentioned this. You didn't mention it to the ASX, you haven't even mentioned it today. You've just said it's all rubbish, it's all the media beat up. So what can you tell us about this federal government investigation into the integrity of our high roller program with their visa system?

And can you give us a summary of the history of our agreements with the federal government about fast track visas for our high rollers over the years? I understand there was a deal and then they dumped the deal. So what is the history of that, and why aren't you being more open and transparent about these investigations that are happening beyond media claims?

**John Alexander**

Stephen, I don't think we have a case to answer on our continuous disclosure policies. We have a disclosure, a continuous disclosure committee, which takes all relevant pieces of information that might affect the share price seriously. Mary, you might like to go through... We actually did announce that inquiry when it was first announced on July 30. But Mary, you might like to go into detail?

**Mary Manos**

Absolutely. Stephen, we absolutely take our continuous disclosure obligation seriously. The ASX platform is there to provide materially price sensitive information to shareholders. And as John just said, we have a continuous disclosure policy, it's publicly available. And we also have a continuous disclosure committee which supports that policy. We don't use the platform for advertising purposes. It's there to give information to shareholders that we're required to give.

**Stephen Mayne**

Okay. Now, what's the protocol? I mean I'm suggesting that you're not communicating very well with your shareholders. What's the protocol with how we're communicating with Mr Packer? And he's just a shareholder. He's a big one, but he's just a shareholder. So what is, this is one probably for the independent directors. So is he getting access to company documents? Is he getting selectively briefed? Can he ring up and ask for a briefing on a scandal? So does he get special treatment? Does he get access to information? Or is he treated like me and he's looking at the ASX announcements for Crown's response to front page after front page of allegations?

**[Barry Felstead]**

Thanks, Chairman, if I could make an initial statement. Thanks, Stephen, thanks for the question. And think, if I could answer your question in the context of Crown's relationship with CPH, which is probably slightly broader than the question you asked. And you'll be aware, from our accounts and disclosures, that for an extended period of time, we've had an arrangement with CPH where they provide a range of services to Crown. Valuable services around our management, around our strategy.

In order for them to fulfil those services we provide information to CPH. So that information is provided to them to enable them to prepare those services, and that's been disclosed for many years now in our accounts. Both the existence of those arrangements, as well as the amounts that are being paid under those arrangements.

**Stephen Mayne**

Now I don't want to go through all the allegations that have been raised in the media. There's so many of them, but do we have an ongoing relationship with Simon Pan? The South Melbourne brothel owner, 39 Tope. Who has had, apparently, if you read the press, has had a long relationship with Crown, but has had many issues with the law, human trafficking, et cetera. Do we have an ongoing relationship with Mr Pan and his business?

**John Alexander**

No. Stephen, that's actually three questions, just passing the two question limit, but as I said earlier, there have been many sensationalist and unproven allegations. What's important to remember is we are most highly regulated and supervised industry in Australia. We can't publicly comment on specific allegations due to legal constraints, which include privacy laws and federal legislation; and as you're aware, these allegations are going to be tested in the upcoming ILGA inquiry.

**Facilitator**

Tim Costello, again.

**Tim Costello**

So given the plethora of inquiries into Crown at the moment, I think four separate inquiries, all really rather piecemeal by federal government, Victorian government, New South Wales authorities, all only examining Crown. Have you as a board considered doing what the banks ended up doing? I think it was Ken Henry who got the chairs of banks together and said, 'let's ask for a Royal Commission and let's deal with this'. The piecemeal chipping away at banks reputation, goes on and on and on. Have you taken seriously what you've told me over 25 years, namely Crown is aiming to be the gold plate standard leader in this gambling industry? You've told me many times there are shonks out there and you should be worried about them, Tim; but Crown will be the leader. To lead at this moment, if you take that leadership seriously, have you considered saying, "let's have a Royal Commission"? Not just into Crown, into gambling. Then this piecemeal, ongoing drip feed, whistle-blower ongoing inquiries, which will continue to be in the press can actually be dealt with. Have you considered asking for a Royal Commission?

**John Alexander**

No, I haven't and I don't intend to. As I said earlier, we are highly regulated, and not just by state regulators in four states, by serious federal bodies including AUSTRAC and

Department of Immigration and Border Protection and the heads of those two organisations, have been quite clear in their view about our compliance. And furthermore, Tim, you'll be aware that the ILGA inquiry, which should start shortly, has powers similar to a Royal Commission, that's been made public. So I think anything else outside of that, would be just merely duplication and where that particularly inquiry goes into the industry is up to them.

**Facilitator**

Chairman, introducing Ron Guy.

**Ron Guy**

Thank you. I'd like to commend the direction that Crown has taken on, its pillars of sustainability with people, planet and property and the fact that they've reduced their waste, and all of those things is quite credible. But I guess, in essence, it falls a little bit short of the local, of the recent radio reports and television reports of the sort of the link-up financially with Liberian war criminal Charles Taylor, and the Joseph Wong Kiia, who is contributed with having decimated the rain forests, and payments in guns in Liberia. So it's sort of, in a way, is counterproductive and obviously it's a failure somewhere from the board, but there's a failure in the visa protocol. So whether that's the government's fault, or whether it's Crown's procedure, and I realise it's from 2015 is the cut-off, has things been improved? Or can we expect to have further implication to some unsavoury people using the Crown Casino, or using the fast tracking Visa system? So has there been a review of policies or procedures put in place to ensure that ongoing things like this don't end up on the front of newspapers and television reports?

**John Alexander**

Thank you for your question. We are very confident that the procedures we have in place are the correct ones. And as I said earlier to other questions and in my remarks, we can't comment on any individuals or allegations that have been raised. All of those allegations will be tested in the upcoming ILGA inquiry.

**Ron Guy**

So if there is a failure in the future, will that directly implicate on bonus payments, or directorship to any of the directors? Because, ultimately, you are the people that we trust in and are responsible for this.

**John Alexander**

I accept that, and our risk and compliance committee takes all issues relating to risk in the company very, very seriously.

**Stephen Mayne**

Is Sun City, which is probably the most controversial of the big junket operators, with colourful associations, allegedly, is it still operating rooms in our casinos? And is it right to say that the extraordinary media and consequentially regulatory pressure on the junket operators, who bring in these very colourful people, has contributed meaningfully to the 46% drop in our high roller revenue in the September quarter? And how important is, was, Sun City to our high roller revenue?

**[Ken Barton, Crown CFO]**

Thanks, Stephen. As a follower of the company for a long period of time, I think you'll have observed that the VIP part of the business, is by far, our most volatile. We've seen material increases and decreases in volume over a long period of time. This time last year when we came to the annual general meeting, we'd actually been able to report a 13% increase in VIP volumes, and by the time we got to the end of the half year, we were down 12%. So it is by far our most volatile part of the business, and obviously a 46% decline for the first three and a half months of this year, is a significant number.

There are some macroeconomic headwinds, I think, which you've called out and others have called out. So I think those are contributing, but I think that this business is very hard to predict, very hard to measure over a short period of time. Three and a half months in that business is a relatively short period of time. That's very hard to call, in particular a short period and describe that as a secular trend in volume.

**John Alexander**

So that's four questions then.

**Stephen Mayne**

Oh, it's two at a time. So second question in this batch. Chairman, you talked in your address about Crown's great interest in good corporate governance. And I think the most obvious sort of a breach of good corporate governance rules is the fact that we have an Executive Chairman, so we don't have an independent chair.

Now Chair, you've worked for packer controlled public companies for a couple of decades, you've been paid \$73 million over that period. I'd like to hear, who is the senior independent director today? Who can we ask questions to if we have an issue with you? We don't want to hear from the CFO (Ken Barton), who is not even a director. Who, on this esteemed board, can speak for the independent directors and answer questions about you?

Because the question I've got for you is, why don't we just move to an independent chair? And your term on the board actually expires today. So you were last elected in 2016 and your term has expired today, but the board has chosen to use the exemption that is available for CEOs, to avoid putting your re-election to the vote. Now the vast majority of executive chairs, so CEOs who wear the two hats, so the Kerry Stokes's and the Gerry Harvey's of the world, they all put themselves up for election, because it's good governance and they recognise that the Chair shouldn't be Chair for life, it should go to the poll.

So how did you make the decision to avoid your election? Can someone nominate as the lead independent to actually explain that, and why don't we embrace the model of good corporate governance and have an independent chair? Particularly given that this company has faced more adverse criticism and regulatory inquiries, and scandals and leaks than any other company I can think of, under your watch as the Executive Chair since February 2017.

**John Alexander**

I think there was, there was a series of questions or comments there. In terms of selecting who is the lead independent director, all of our independent directors are very, very independent. The appropriate person to ask about my arrangements would be Geoff Dixon, who's the chair of Nom and Rem.

In terms of my not standing for election, you imply that I'm trying to avoid that. The reality is, and Mary can explain shortly how our constitution works. Yes, you're right, I did stand in 2016, and our constitution states that the Managing Director does not need to retire and

stand for re-election to the board, which is consistent with ASX listing requirements. And you'll be aware Stephen, in his nine years on the board, the former CEO, my predecessor Rowen Craigie, did not stand for re-election at any stage. Mary, would you like to say something about that?

**Mary Manos**

No, I think you've got it covered.

**John Alexander**

Geoff, do you want to say something?

**Geoff Dixon**

Just Stephen, that the various committees look very closely at our structures. We believe when we put this in place around about three years ago, that was needed, and we all feel very strongly that John has done a very, very good job. It's always under review.

**Tim Costello**

So my last Crown AGM was 2017, when James Packer was still on the board, and when asked about political donations, James Packer said, "We should look at terminating those." Yet Crown advised the Australian Electoral Commission it made 24 political donations worth \$180,000 in 2017-18. Why are these political donations continuing? And If I can have an unrelated subsequent question to that one, is Jeff Kennett's company, Amtek, still working for Crown and what does Amtek do?

**John Alexander**

Well firstly, the 28 odd payments, if you actually do the maths, they're relatively small per recipient. They are not often cash payments, they can be covering meetings and the like, that we do believe, as a broad principle in supporting the democratic process. You're right, James did say we will consider this in 2017, in this very room. The board did consider it, was persuaded at the time we would continue, but like many things it's under consideration.

So the second item of business today is election...

**Tim Costello**

So I asked a question about Jeff Kennett, whether his company Amtek is still working for Crown. What do they do?

**John Alexander**

I believe so, but Barry can I answer the specifics.

**Barry Felstead**

That question Tim, Jeff Kennett's company Amtek does work for Crown, they service our poker machines. They went through a competitive tender a couple of years ago and were awarded the tender. Thank you.

**Stephen Mayne**

Now John, I hope you're not going to just say with every question there's an inquiry, "We're not going to comment." Because I just find when you get situations like our former employee, Jenny Jiang, who went to jail, she went to jail in China and then was so disillusioned with the company that she's been appeared on *60 minutes* as a whistle-blower out in the open. And then you have attacked her in full page advertisements in *The Age*. You've attacked her and said she tried to get 50 times her salary, in a lump sum payment out of us. So you've had this public jousting but you've told the shareholders nothing, nothing on the ASX, nothing in the annual report. So can you please explain... Just give us your side of the story. She's obviously leaked a treasure trove of documents and she feels that she was very poorly treated. Did you treat our employees, who went to jail, appropriately and what is the story with this whistle-blower, Jenny Jiang, who came out of jail and then felt aggrieved and did a lot of damage to us and leaked against us.

**John Alexander**

I can't go into the details of how we treated each individual. I can say, collectively, they were treated very, very well on an ongoing basis. I'm not, for privacy and legal reasons, able to comment on Jenny, or any individuals, on current or former staff, and as you all know, there's an ongoing class action matter in this area, so that's all I can say. And by the way, Stephen, between your five... you've got ten shares in the company, which you've allocated five by proxy to Tim, I think that's ten questions.

**Stephen Mayne**

The AGM started at 10 o'clock, it's been going for 47 minutes. I think you'd agree that it's legitimate for a few issues to be raised. This is the one opportunity of the year for the shareholders. I've got a couple more...

**John Alexander**

Stephen, We moving onto the second item of business, which is the re-election of the directors.

**Stephen Mayne**

I've got one more.

**Mary Manos**

They are not relevant to the accounts, are they?

**Stephen Mayne**

I've got a relevant question, I'm a shareholder, on the accounts. Wynn Resorts takeover. So on April 9 we told the ASX, and it's quite ironic, given that we're so taciturn in our communications that this time we were very detailed and we said yes, there is potential for a takeover at \$14.75 and the detail is this, 50% in shares and 50% in cash. And then just a few hours later, Wynn Resorts terminated the discussions. So it looked like there was a leak, that we talked about it, and this really upset the company that wanted to pay \$14.75, and they walked away. So can you tell us a bit more about what happened here? Do you know who leaked it, was it a strategic leak done by us, did Wynn first approach Mr Packer or Crown? And in hindsight, did we do anything wrong with this process and are we having any more talks to Wynn Resorts?

**John Alexander**

The short answer is no, Stephen, and we can't say anything more about the matter. We have no idea where the leak came from, it certainly wasn't us and it certainly wasn't strategic. All right, thank you.

The election of directors is the second item of business today, Crown's constitution, which has been touched on by Mary, requires an election of the directors must take place each year and that, generally, one third of directors, other than the managing director must retire at each AGM. If eligible, those directors may offer themselves for election.

During the year, the board resolved to appoint Mr John Poynton as a director. John Poynton appointment took effect from November 20, 2018. Crown's constitution requires that John retire from office at this meeting and seek election by shareholders. Being eligible, John offers himself for election as the director. Of the company's other directors Helen Coonan, Andrew Demetriou and Harold Mitchell, also retire in accordance with the company's constitution. Being eligible, each of Helen Coonan, Andrew Demetriou and Harold Mitchell offer themselves for re-election as a director.

Detailed biographies for each director, standing for election and re-election, are included in the notice of meeting, and the 2019 report. The director's biographies are also available on the company's website. Accordingly, I do not propose to repeat the biographies this morning. Before we turn to the election of the directors, I'll explain the voting procedures for those who have come to previous AGMs, you'll be very familiar with this. Today we've determined that the voting will be conducted by poll. The votes casted on an item for business will be made available on the screens behind me shortly after the close of voting on each item. The results of all resolutions will be announced on the ASX following the meeting, and will be placed on the company's website.

Shareholders and proxyholders would have received the handset like this, which Mary holds up upon registration today. You should also have received an attendance and voting instruction card. This card explains how to use the handset and will also serve as a paper voting card in the event that for whatever reason, the electronic voting system malfunctions. We will provide additional instruction to shareholders in event that this occurs. Once voting begins, your voting options will appear on the handset screen. To vote for the resolution, press one. To vote against the resolution, press two. Or if you wish to abstain from voting on the resolution, press three. The word, 'received', will appear briefly on your handset screen, confirming that your vote has been cast. The screen on the handset will then return to the voting options and the vote you selected will be indicated by a cross.

If you wish to change your mind, simply select a new option, by pressing one, two or three. Your original vote will be cancelled and your new selection will be counted. If you wish to cancel your vote, and have no selection recorded, press the red triangle button. Should your handset not work for whatever reason or if you are having difficulties of any type, please raise your hand and a representative from the Computershare, our share registry, will assist you. If you wish to split your votes on any item, please make your way to the back of the room, where representatives from our share registry can assist you. Mr Scott Hudson, from Computershare, will be the returning officer for today's meeting.

As I mentioned, the first of our directors up for your election is John Poynton. I now propose the resolutions that John Poynton AO, he retires in accordance with rule 5.1E of the company's constitution, and being eligible, is elected as a director. Valid proxies received before the meeting on the resolution are shown on the screen. I'll now invite questions and comments on the election of John Poynton.

**Facilitator**

Chairman, Geoffrey Bowd returning to the floor.

**Geoffrey Bowd**

Thank you. Mr Chairman, we acknowledge Mr Poynton's experience and qualifications to be a director of Crown Resorts, however, we intend to vote against his election. We think that the discrete added value Mr Poynton brings to the board is his representation for CPH and Burswood activity, in particular. It seems to us that CPH is already very strongly represented with non-independent directors and your experience, Mr Chairman. We thought it would have been in the better interests of not only retail shareholders, but all shareholders, had there been an appointment of an independent director, perhaps a female to strengthen your gender diversity. Perhaps you may comment, but may I just take this opportunity on behalf of ASA, to pay tribute to Geoffrey Dixon's tenure, noting his strong undoubted independence. Will you be seeking another independent director to replace Mr Dixon?

**John Alexander**

Thank you, Geoffrey. A couple of questions there. On Mr Poynton, as you correctly pointed out, he was a CPH nominee. And as you also alluded to John as being an invaluable independent director in Perth for us, from the time we acquired Burswood, back in the early 2000s. He's very well connected, a highly astute mind, and I don't think you'd make the board of the Future Fund without those sorts of qualities. So as I said, a CPH nominee... If you look at our board, even after Geoff's retirement, and this stage we don't intend to appoint an additional director. We'll have 10 directors, six of whom will be independent. You touched on the female director side, I think if you look at what we've done in the last several years, we had one female director only two years ago. We'll have three, all outstanding people, let alone outstanding women, who make a marvellous contribution. And following Geoff's retirement, we will have met the Australian Institute of Company Directors' recommendations on having 30% female representation on the board.

**Facilitator**

Chairman, Tim Costello again.

**Tim Costello**

So I'd just like to ask a question of John. Good to see you. In terms of representing James Packer, I'd just be interested in how you understand that work sitting on this board, in terms of communications, I saw you sign the full page ads. I assume say that James was happy for you as his representative to sign those ads, but just particularly, how does it work? You being on the board representing James, communications briefings, whatever.

**John Poynton**

Thank you. Well, in fact, there's actually quite limited communication between me and James. I take the view that as a CPH representative, I'm kind of broadly representing everybody, but having been specifically essentially appointed by that group, I don't call him every day, don't call him every week. I basically take the view that I'm representing all shareholders and it was just essentially what he wanted to do when he stepped down from the board. So I leave whatever detailed communication there might be to the other CPH executives on the board.

**Stephen Mayne**

Just firstly a clarification on the proxies. So I'm presuming that CPH has voted in favour. Would you advise whether Melco have voted their 10% shareholding today? Either on this resolution or any of the other resolutions?

**Mary Manos**

I wouldn't be commenting on what anybody has voted for or against including yourself.

**Stephen Mayne**

No, I'm not asking you if they voted for or against. I'll just ask to have they participated.

**Mary Manos**

I won't be commenting on individual shareholders voting, choices in voting...

**Stephen Mayne**

I think it's relevant, you are in possession of that information and it's not the question for the company secretary, it's the question for the chair and the directors. Is there's obviously regulatory clearance issues here where the original deal was to go to 20% and they've stopped at 10% and there's inquiries out of New South Wales. If it's a question about how much influence Melco and the Ho family are allowed to have over the Crown, that influence comes from voting shares at the AGM. So I think it's a legitimate question to say. While there's still a question of regulatory uncertainty over whether and how much power this new shareholder can have, have they used that power today? It's not a particularly hard question and I think it's a relevant question.

**John Alexander**

No Stephen, I mean, I don't think we would ever comment on whether any shareholder participated in a vote. By detail, whether a small shareholder like you or a larger shareholder like CPH.

**Stephen Mayne**

All right. Now a quick couple of questions for John. In the initial response to the *60 minutes* and *The Age*, the full board signed off on highly combative, newspaper ads. I'd like to hear from John as to how he satisfied himself that what management was telling him to say, which was attack and discredit and really go in boots and all, how you satisfied yourself, that the plethora of allegations were all a great beat up and had no credibility, which was the tenor of the statement that you signed in full page national advertisements. How did you satisfy yourself that what you were saying was correct?

**John Poynton**

Well as I'm sure you'd imagine before I joined the board, I did extensive due diligence, I've had an involvement as the chairman has said with this company through Crown Perth for a very long time. And so I satisfied myself, both at the time I joined the board and then subsequently post the allegations that I was very comfortable to sign along with my fellow directors the full page ad to which you refer.

**Stephen Mayne**

Just one final question. So just the maths of shareholder representation on boards normally goes that whatever you're shareholding, if it's a block shareholding, you can have that proportion on the board. Now your nominee has recently sold a 10% stake reducing from 47 to 37 and that has settled and is proposing to sell another 10% stake to reduce the 27%. And with the departure of Mr Dixon today, we moved from a situation where Mr Packer had 4 out of 11 and the chair, to will now have 4 out of 10 and the chair, which is an oversized representation relevant to his 37% stake, which is going down.

So do you agree with that and will you support the idea that as part of the way to redress that imbalance of representation on this board that we should move to an independent chair model? And address the numerical imbalance where it really should be probably 3 out of 10 or at the very least 4 out of 10 but not the Chair. Do you agree with that? Not a question for you, John.

**John Alexander**

But it is a question for me, because your maths are wrong. CPH only has three, excluding myself as chair, CPH including Mr Poynton, has three directors on the board.

**Stephen Mayne**

Okay. Mr Johnston?

**Michael Johnston**

Yes, I'm one of the three.

**John Alexander**

Mr Jalland, Mr Johnson and John.

**Stephen Mayne**

And yourself.

**John Alexander**

No, you said three plus a chair. You said four for a chair. But I'm not a CPH appointee. I'm management.

**Stephen Mayne**

But you've worked for the Packers for 21 years. You're not seriously saying you're an independent chair are you?

**John Alexander**

I'm not classified as...

**Mary Manos**

No he's an Executive Chair. He's an employee of Crown Resorts Limited.

**Stephen Mayne**

Are you serious?

**Mary Manos**

He is an employee of Crown Resorts Limited. He is not a CPH representative.

**John Alexander**

At the end of the day, there's still the majority of independents based on that maths. Correct?

**Stephen Mayne**

Says it all about the spin that you're claiming independent of Mr Packer after 21 years and \$73 million. I don't know. But John, I'd like to hear from you on the question of the independent chair.

**John Poynton**

Well, my overriding statement would be that I'm focused like the rest of the board on shareholder value and I'm not sure there's a direct correlation that you trying to infer that a lack of independence or a lack of a particular formula actually leads to a detrimental performance in the company. I'd certainly reject that proposition, if that's what you're trying to say. I repeat, like my fellow independent and non-independent shareholders, I'm focused on delivering shareholder value. And that's what I've stood for, for the last 40 odd years. And so when it comes to specifics, I think it's a matter for the whole board to decide, not for me.

**John Alexander**

All right, then I think we should move to the vote. So I'll just repeat what I said earlier. To vote to elect John, press one on your handset. To vote against, press two. To abstain, press three. If anybody again requires any assistance, please put up your hand. Are there any shareholders who haven't voted?

I think we can declare the election of Mr Poynton as the director. Congratulations John.

The second director up for re-election is Helen Coonan. I now propose the resolution that the Honourable Helen Coonan retires in accordance with rule 5.1F for the company's constitution and being eligible she is re-elected as the director. Valid proxies received before the meeting on the resolution are shown on the screen. I will now invite questions and comments on the motion. Are there any questions?

**Facilitator**

Geoffrey Bowd returning to the stand.

**Geoffrey Bowd**

Thank you, Mr Chairman, the ASA will be supporting the re-election of independent directors, Helen Coonan, Andrew Demetriou, and Harold Mitchell. There is similar reasonings, so not be repetitive and speak to each resolution. I'd just like to cover some of the reasoning now.

Helen Coonan is eminently qualified to be a director of a public company. As I said earlier, the ASA has voting and engagement guidelines and we endeavour to apply these with

consistency. However, consistency requires assessment of specific circumstances, not necessarily a dogmatic tick the box approach. Helen Coonan does not have skin in the game, which is one of our focussed guidelines. Nor do most of Crown's directors. Skin in the game is not Crown policy. The ASA believes it should be, as said so, and your policy is now unusual for public companies. However, we would not deem it prudent today to vote against Ms Coonan or other independent directors' re-election solely on this criteria. The ASA also has workload as a guideline. Ms Coonan is a director of one major public company, Crown, and she is involved as a director or advisor in an impressive list of government, semi government and private sector enterprises.

Her extensive contribution to the Crown board is evidenced in that she is the chair of three committees and her attendance at board and committee meetings is exemplary. The ASA has not the capability to assess and conclude that non-Crown involvement is such that she cannot continue with her commitment to be an independent non-executive director of Crown. Our question Mr Chairman, our intention to support her re-election would be enhanced, by let's say her public assurance that given her many interests or workload she can continue to commit to Crown. Thank you.

### **John Alexander**

Thank you, Geoff. Well as you touched on, Helen's attendance at all meetings is exemplary. It's not just her attendance that we look for. That's the easy part of the exercise, it's actually her contribution. The fact that she's in demand for so many roles outside of Crown just reflects her abilities.

Let me just touch on what you raised about the company being prescriptive or being non-prescriptive about share ownership by directors. I think I can talk about this because I do have a relevant large number of Crown shares. In my experience, having a policy where directors must hold a small but relatively meaningless parcel of shares doesn't affect to their performance or their contribution. I look around the boardroom and see from particularly our independent directors in terms of their interaction, and their application, and their dedication and contribution is excellent whether they hold shares or not. Helen, would you like to say anything about...

### **Helen Coonan**

Thank you, Mr Bowd, thank you very much for your comments. I can appreciate that a long list of apparent commitments can indicate perhaps some busyness on my part and I've always been a busy person of course, and very much enjoy engagement across a number of industry sectors and then to use that experience in the law, in finance, in regulation, in communication and stakeholder engagement and in governance for the benefit of Crown. I have had an extensive professional background and I think I'm able to make a significant contribution to Crown. In terms of the actual workload, I have one ASX listed board role apart from Crown and a number of directorships of non-listed entities and some charities as I hope everyone here is happy that I do, and some ambassadorial roles for other organisations. So you'd appreciate that not all roles require the same investment of time and attention to that of the Crown board.

For example, I have three roles where the board meets only four times a year. So I think that puts it in perspective and context. The important point is that I am able to and do devote sufficient time and attention to the requirements of Crown, as you've heard. For the six active board committees, I'm the chair of three of them and I also chair the Crown Resorts Foundation and as you very kindly mentioned, I have a perfect record of attendance, at all scheduled board and committee meetings and any additional meetings as required and as

you can appreciate, it's been a busy time for Crown lately and meetings are required on short notice.

I can say, and I'm sure my fellow directors would support this, that I'm accessible and available to my fellow directors and to provide guidance to management when required across many sectors of the business between board meetings. And so I would like very much the shareholders to know that my contribution as a non-executive director I think clearly demonstrates my commitment to the business and my capacity to prioritise my time so that I can devote whatever is needed to the interests of Crown.

**Geoffrey Bowd**

Thank you, Helen. Just say thank you very much for taking that time to, let's say enhance our vote. I see the numbers up there and I just confirmed the ASA is supporting your re-election.

**John Alexander**

So, as with John could I now...

**Facilitator**

We have Tim Costello, again.

**Tim Costello**

So I'd like to ask Helen in your role as an independent director to comment on how you feel about what I sense is the public distrust this unease about so many ex-politicians engaged with Crown. We certainly have Karl Bitar and Mark Arbib and now Chris Reilly, former chief of staff for Dan Andrews.

We in Australia, as you would know, Helen, have the greatest gambling losses anywhere in the world, 30% ahead of the country that comes second, Singapore, then Ireland, 30% \$1,200 losses per head in Australia. That has only happened in Australia, not because we're the greatest gamblers on earth, but because of political decisions and political architecture and I think the chairman rightly said you are a major tax collector for government. I think I heard \$650 million, is that right?

**John Alexander**

Yes.

**Tim Costello**

A year. So you are a major revenue collector for government to set the political architecture that has led Australia to be the greatest gambling nation in terms of losses and I won't go into my view social misery that flows from that. It's not a good look, it seems to me, Helen, to have so many ex-politicians. It doesn't breed confidence. I would just like you, as an independent board member, to perhaps reflect on that. Maybe the allegations which are proof of this distrust, what your reflections are.

**Helen Coonan**

Yes, thanks very much for the question, Tim. I don't necessarily agree with your characterisation of the nexus between politicians and gambling and certainly not in respect

of Crown. I haven't been in parliament since 2011 and I know that the two other gentleman you mentioned, Mark and Karl haven't been in parliament for a very long time either. There has to be ways in which, if you have a lot of public sector experience and you're used to dealing with major policy settings, you can bring that experience to bear and be a useful, sorry, make a very useful contribution to public life and to corporate life when you leave. As you've heard the Chairman say, gambling or casinos, certainly Crown is one of the most heavily regulated companies in Australia. It's subject to intensive regulation by state regulators, by federal agencies, and just referring back to the chairman's speech, you will recall that there was a reference to over a hundred pieces of legislation or regulation or other government policy settings that control gambling.

So I don't know that you can make that leap from politicians being connected with organisations to the political architecture somehow or other enabling, as you characterise it excessive gambling. So that's my thoughts and more broadly, I'm certainly prepared to say that I think the unsubstantiated and unproven allegations that have been made against Crown have been of course deeply distressing to all of us. But I remind everyone, all shareholders, that allegations are not facts, they're not facts. And that is precisely why we have taken the steps we have in terms of the advertising that we undertook and why we now await the outcomes of the inquiries that regulators have decided to set up. It will be appropriate for us to cooperate as we always do and to look at whether out of all that there is anything further that we can do as part of our continuous policy of improvement.

### **Stephen Mayne**

Helen, as the first independent up for election today, can you tell us how the independent directors have worked together to satisfy themselves that what management is telling them, i.e. it's all rubbish, is true and that there's actually nothing in anything? So have you had meetings of the independent directors? Have you tested the allegations? I mean, I think you're the only lawyer on the board. Take us through what steps you and the other NEDs have taken and why haven't you set up an independent board committee to deal with all this and what do you think about the question of the independent chair? Surely you recognise that it's time for an independent chair and I've got one follow up later on the workload and the voting question, but I want to hear your answer to that first, thanks.

### **Helen Coonan**

All right, I'll go over that again for you Stephen, whenever you wish to ask about it. Happy to.

The independent directors I think work very effectively together on Crown as you will have seen of the six committees that Crown has an independent director chairs, each of them, and there are majorities of independent directors on all of them. We provide I think very effective supervision and guidance to management and we test management thoroughly in respect of matters that are brought to Crown. More particularly, I can assure you, I think I have chaired about eight meetings in relation to matters that are, as I said, have concerned Crown, these unfounded, so it would seem, allegations made with scant regard to the facts, allegations that are not facts and not evidence, but the independent directors take it very seriously, as do the non-independent directors, and certainly the Chair, we take it all very seriously, and when warranted, we do set up committees and have extensive examination of issues as we should.

### **Stephen Mayne**

On the workload question, I mean a 23% protest vote, and if you factor in James Packer's 37%, and well we don't know if you've been saved by the Ho family or not because there's

no disclosure on that, but that's probably the biggest protest vote in the history of Crown, and that's based on your workload.

**Helen Coonan**

No, it's not. No, it's not.

**Stephen Mayne**

Well, I think there's some shareholders who have concerns over your workload, and there's others who have raised issues about your independence, and the non-audit fees, I think it was. But I just want to take it through a bit, you're chair of seven bodies and you sit on six other bodies. So far as I can see, you are actually the single busiest director in the country. I mean Chair of Place Management, New South Wales, Chair of Supervisor Investment's Australia, Director of Snowy Hydro, Co-chair of GRACosway, Director of Obesity Australia, member of JP Morgan Advisory Council, there's four others. But the thing that really struck me was you added three chairs this year, so you were already crazily busy and then you added Chair of the Mineral's Council. So you're the chief lobbyist for the whole mining industry. Chair of the Australian Financial Complaint's Association. So you're chair of the post Royal Commission complaints are coming in. Big job. And chair of another listed company, HGL.

What we want in independent directors are people who've got the time to step up when there's a crisis. Now there's a crisis here and you can't possibly have the time to do all these jobs appropriately. You have got the biggest protest vote, probably in the history of Crown. So can you please address why you think that has happened, and whether you're going to respond to it? Are you going to address the concerns that your own shareholders are expressing here to the tune of \$1.5 billion worth of stock, or is this going to be ignored and dismissed like everything else at Crown?

**Helen Coonan**

Well thank you Stephen. I think there's about 12 questions in that so I'll endeavour to unpack it a little bit for you. You start your question, I thought, by complaining that we weren't working hard enough as independent directors, and you appear to have disregarded the fact that I said I had chaired eight meetings about matters that are of great concern to Crown and that we take very seriously as and when required. So that indicates that I am quite capable to prioritise my time and give whatever time is necessary to the interests of Crown in relation to the matters that you've talked about.

As to the vote, I read very carefully the proxy advisors, and it appears that the vote that you refer to has nothing to do with my workload, and relates to some issues to do with the audit and governance committee, and the ratio of audit fees to non-audit fees. I'm quite confident that I can assure you of that. So what we do of course when we vote is to have a majority, and I understand that I'm likely to be re-elected on the basis that I do have the majority of the support of these shareholders.

**John Alexander**

Thank you, Helen. I think we move to the vote if there aren't any more questions. Oh, there's one more question.

**Ron Guy**

Yep. Ron Guy again. Yep. So I guess the question is towards charities and how Crown and you will promote and exercise these things. But I note that the family and domestic violence changes to the support policy is a credit to Crown, but I guess harping back a little bit to what's happened in Sierra Leone and with the \$6 million that we presumably won out of our support for our visitor there. I guess in a lot of ways it seems like we got money for a lot of suffering that's happened. I'm not aware that we've caused that or we're just part of the end of the chain of that.

But I guess I'd like to note in the charities that recently there's Aminata, and she was from Sierra Leone. She was one of the captured people by the Taylor's organisation or group. And they've set up a charity to the Aminata Maternal Foundation, which applies to helping women and babies in Sierra Leone. So, I guess in some ways we've profited from the suffering of other people, so I'm just wondering how you come to direct different charities for the board, to accept or to consider?

**Helen Coonan**

Yes. Well, thank you Mr Guy, for the question. As Chair of the Corporate Responsibility Committee of the Board, we look very critically at ways in which this business can support many causes to do with the business. But then in respect of the Crown Foundation it's a broader remit, and we do look to what we need to do, and what we think we should do, in the areas of indigenous education, particularly the education of indigenous girls. And we also think that certainly throughout Western Sydney and Perth and Melbourne, some of our arts programs given to very small organisations really help very disadvantaged people to understand more about their environment, what they can do, how they can enjoy a lot of the things that we take for granted in our cultural institutions.

So we take our charitable work very seriously and we always take on board suggestions such as yours. We'll have a look at it, but we do have very specific charters and objectives for our charitable work. We do think that it needs to be connected to our business operations. So, that's basically how we approach our charities. But I'll personally go and have a look at what you've raised, Mr Guy.

**Ron Guy**

Well we are a global company and we're trying to introduce businessmen from all over to gamble. But you know, there is a huge amount of refugees in the world, and I must admit that I was pleased that the plans to go ahead in Sri Lanka, to build a casino, which is still a lot of war crimes that haven't been answered or crimes against humanity. So I guess in essence if we'd set up there, in some ways we would have been part of that, so I am pleased that that fell through, not necessarily because of the board's choice, but because of the politics...

**Helen Coonan**

Well, if we had set up there, of course we would have looked at the communities in which we operate. I mean, that's basically what we do as a responsible business. Thank you.

**Tim Costello**

One more question to...

**Helen Coonan**

Yes Tim.

**Tim Costello**

So, I take your point that you have been out of politics since 2011, but in 1999 a person you might remember, Peter Costello, had a Productivity Commission.

**Helen Coonan**

I vaguely remember him, yes.

**Tim Costello**

You were in government then, and into gambling. And the response to the funding none of us knew that we...

**Helen Coonan**

I'm sorry, Tim. Did you say I was into gambling?

**Tim Costello**

No, no, no. You were in government.

**Helen Coonan**

All right, okay.

**Tim Costello**

Sorry.

**Helen Coonan**

Just making sure we're in the right spot here.

**Tim Costello**

Yep, in government. The response to the finding that we had 20% of the world's pokies led your leader, John Howard, to say, "I am ashamed of this." So I'm interested to know whether you shared that shame when you were in government? How you feel about gambling? And, as an independent director and the Chair of the Corporate Responsibility Committee, given these allegations, have you met with Andrew Wilkie personally? Or Nick McKenzie, the investigative journalist from *The Age*, *Sydney Morning Herald*, to actually hear what's going on?

**Helen Coonan**

Well, once again that's a very long bow, a long compass back to 1999, Tim. I'm not ashamed of having been in government or what the Howard government achieved when it was in office. I must say that Mr Wilkie and Mr McKenzie haven't sought to meet with me, and so I haven't had the kind of conversations to which you allude.

**Stephen Mayne**

Okay. Just a final question for Helen. It's good to hear from independent director, first chance we've had today to not hear from management and non independent directors. Now as you mentioned Helen, you are Chair of the Corporate Responsibility Committee. Are you concerned that there just seems to have been so many leaks against the company? I mean there's three supervisors at the VCGLR who are leaking videos. There's the machine operators here, there's law enforcement bodies who are leaking from their hard drives treasure troves of information. And there's obviously been a lot of leaks from inside the company. I mean, surely you are concerned that there's been so many attacks on the company, and so many leaks? And are you surprised that ACLEI, the federal government body, has decided these are so serious that they're going to have their first ever public hearings? And has Crown done anything wrong? Can you mention even a single thing where you've made a mistake, and you maybe you should have done something differently, or your approach was wrong? Or is everything absolutely perfect from your position as Chair of the Corporate Responsibility Committee?

**Helen Coonan**

Well, the Corporate Responsibility Committee considers issues to do with employment. It considers issues to do with the environment and Crown's environmental policies, and it looks at policies to do with our diversity, promoting women, promoting people who are vulnerable and who have otherwise disabilities. That's our CROWNability program and our indigenous employment program, it covers a lot of territory and it doesn't look at leaks. So it's not a committee that looks at leaks. But coming back to your point, I'm trying to do the courtesy of answering your question, Stephen, we're not in a position to be talking about individuals and a lot of the leaks are nothing to do with our employees. You just mentioned there appears to have been a leak out of the VCGLR.

Now, that's not something that's within Crown's remit. So, we're not in a position to comment about individual matters. We care about all of our employees, as the Chair so, I think eloquently pointed out in his speech and we'll continue to do so and the Corporate Social Responsibility Committee will continue to look after all of these aspects of Crown's employees and our programs that we think promote our employees and benefits for them.

**John Alexander**

Thank you, Helen. If there are no further questions, can we now move to voting for Helen? Again, the same procedure. Press one on your handset for, press two against and three to abstain and if you're again, if you have any issues or problems, please raise your hand. Are there any shareholders who haven't voted? Thank you and the poll on this item of business is now closed. I'm advised that the votes and the resolution have now been counted.

That's displayed on the screen. As you can see, the results show that the resolution has been passed and I declare the motion to re-elect Helen Coonan carried. Congratulations, Helen.

The next director up for re-election is Mr Andrew Demetriou. I now propose the resolution, for Mr Andrew Demetriou, who retires in accordance of rule 5.1F, of the company's constitution and being eligible, is re-elected as a director. Valid proxies received before the meeting on the resolution are shown or will be shown shortly on the screen. Are there any questions or comments on the resolution?

**Stephen Mayne**

First one is, could we just hear from Andrew, to explain the history of any relationship he's had with Mr Packer? Please.

**Andrew Demetriou**

Thanks Stephen. Think I first met James in my capacity as CEO of the AFL, when we were starting to negotiate the broadcast rights, probably 2004, 2005. He was involved obviously with PBL. He left a lot of the negotiations down to his management and from time to time he'd pop his head in and would intimidate me and try and get the price down and we ended up resolving the issues.

**Stephen Mayne**

And, as an independent director of this board, I want to ask you specifically, about the media strategy. You have a lot of experience in media, running the AFL, and constantly dealing with journalists. I think it's been an absolute folly to effectively declare war on the credibility of the single best regarded investigative journalist in the country, in Nick McKenzie, and particularly to do that, when he has an information advantage because he has an absolute treasure trove of leaks.

So, do you support the strategy of continuing to attack, belittle, and be totally combative as a company with full page ads signed by the full board, when the response has clearly been: 'well they won't admit they've done anything wrong. I've now got another 10 front page stories because I've got all this data. I'm just going to keep flogging them until they actually admit that there's something going on here.' So, the strategy is not working. What are you, as an independent director doing to challenge the management approach? Which is just deny and attack. Are you comfortable with that strategy? Is it working well, in your opinion?

**Andrew Demetriou**

Look, I don't think it's a strategy. I think, what I would say is, I support all the decisions that had been taken by my fellow board members and not based on management advice. I mean, the fact is that the board has considered this matter very carefully. I have got previous experience with Nick McKenzie. I've got a very high regard for him as a journalist, particularly when we did the Essendon drug saga.

But on this particular occasion, I think I'd have to say that I've been very disappointed in what's been reported. The board has the same view. I mean, these are sensationalist, unsubstantiated allegations and they will be tested in due course. We operate in a very compliant environment, highly regulated, both with state and federal agencies. I'm a very proud member of this board. Very proud of what the Crown does.

I'm very proud of our employees. We employ 18,000 people. I take my role as independent director very seriously and we care about our employees and, I can assure you, that none of us enjoy, at all being called into question from our reputational perspective. From the work that we do and the work that our employees and our staff do and on behalf of the shareholders. When you feel that you've been wronged and as outrageous allegations, you call them out.

**Tim Costello**

Hi Andrew, and I'm an admirer of your time at the AFL...

**Andrew Demetriou**

Thanks Tim.

**Tim Costello**

Even as an Essendon supporter. So, I'm just interested in the values question. The AFL, it's core business is football. Now there's questions about gambling, where we're seeing, clubs getting out of pokies and there's a whole range of wonderful things you led, whether it was indigenous or disability or gay rights at the AFL, but it's core business was different to Crown.

Crown, though it's doing some wonderful works, we saw a video as we came in, with funding this and funding that. Because it's core business is gambling and that's where you're under the hammer, Nick McKenzie and others. As an independent director, how do you change this perception? Can that core business, which in my view, does rely too much on addiction and social misery. Can it be changed? You as an independent director must be worried about these perceptions? Particularly given what you achieved in the AFL.

**Andrew Demetriou**

Thanks Tim. Look, it's a complex question which you'll probably find my answer a bit complex. I don't think the values of the AFL, are not too dissimilar to the values of Crown. I'm very proud as an independent director and I'm sure the board is very proud of what we do other than gambling. Some people will view gambling in a particular light, I understand that and I acknowledge that. But you know, we provide a destination for tourists, a destination for entertainment. We provide incredibly first-class hotel services, restaurants and people come here for enjoyment. Not everyone that attends Crown, attends here to gamble. We provide, I think we employed last count, in excess of 200 indigenous employees.

We provide in excess of 400 to 500 traineeships. We've got an outstanding foundation and I think our commitment to the community, reminds me a lot of what the AFL does. In amongst that, we have gambling, and we don't shy from that, but what we do, do, is we take our responsibility to gambling very seriously. We adopt responsible gaming. We've got John Horvath, as our director, who chairs those committees. We've listened to shareholders. Even at these meetings and even taken on board previous comments and questions from you and Stephen in relation to disclosures. We don't shy away from the fact that what we do, but what we do try to do is act as responsible citizens and take our role in the community very seriously.

**John Alexander**

Thank you. Are there any other questions? Again, we'll move straight to voting please. On the same basis as before. To vote for the resolution, press one, against, press two, abstain, press three. Again, please raise your hand if you have any issues.

Are there any shareholders that haven't voted? I therefore declare the poll on this item of business now closed. I'm advised that the votes of the resolution are now being counted. They're displayed on the screen, and as you can see, the results show that the resolution has been passed significantly. I declare the motion to re-elect the Andrew Demetriou carried. Congratulations. Andrew.

The final director up for re-election today is Mr Harold Mitchell AC. I now propose a resolution that Mr Harold Mitchell AC, who retires in accordance with rule 5.1F, of the company's constitution and being eligible is re-elected as a director. Valid proxies received

before the meeting on the resolution are shown on the screen. Are there any questions or comments on the resolution?

**Stephen Mayne**

The first one, Chair, I noticed when in reading the ACLEI announcement, that they will be releasing a transcript of the public hearings at the end of each day next week. I'm just wondering if you can undertake to release a transcript of today's discussion? We've had some important governance discussions. You moved last year for the first time to have a webcast, but the shareholder who wants to try and get across, asking them to listen to audio. It's a bit tricky. Can you undertake just to make a transcript available on the website?

**John Alexander**

I don't think so.

**Stephen Mayne**

Okay. Now Harold, 27% is bigger than Helen's protest vote. So I guess the question to ask here is, you've been on the board for eight years.

**Harold Mitchell**

Good morning.

**Stephen Mayne**

Morning. Good to see you. You've been on the board for eight years, and I think the issue that comes up is that there has been some ASIC action taken against you at 77, long serving director. What was the consideration in terms of retirement or not? Did you talk to James Packer about this question? Because there are other circumstances... I think it was John Priestley who faced some ASIC action, and I appreciate the innocent until proven guilty concept, but he quit the ASX board after the proceedings were initiated, as a best practise, good governance question. You've obviously decided effectively to tough it out in terms of this situation.

So, can you just take us through that thinking, and can we hear from the Noms Committee Chair, departing, Mr Dixon, about the board's view on this question? Because I was expecting that you'd probably retire, and I was a little surprised that you decided to run the gauntlet of another three-year term.

**Harold Mitchell**

You mentioned a couple of things there Stephen, you might like just to bring it back. I think you mentioned something about Mr Packer?

**Stephen Mayne**

Yeah.

**Harold Mitchell**

Was that part two of the question or...?

**Stephen Mayne**

Did you speak to him about your running again?

**Harold Mitchell**

Oh no. No, of course not. No. So, can I deal with the ASIC matter?

**Stephen Mayne**

Yeah.

**Harold Mitchell**

For those in the room that haven't followed this as carefully, I have and indeed, Stephen has, it's a civil matter. It's something that happened seven years ago. I'll make three points Stephen. I'm well aware of what's expected of me as a company director. You'd expect that. You'd expect that to happen. I deny vehemently any wrongdoing. I'm vigorously defending these claims. As I said, it's a civil matter against me and I fully expect to win this proceeding and clear my name.

I'll just make one more point, and I should thank the proxy advisors, and I've read through what each of them... The Head CGI Glass Lewis, do we have the CGI Glass Lewis people with us today? But they've sent the information in. And I'll just quote what they've said, and I thank them for voting for me. "We believe Mr Mitchell deserves a fair trial, and we'll wait until the resolution of the court case before, opining on the appropriateness of his continued tenure on the company's board." I thank them for that, and that's where I would leave the matter.

**Stephen Mayne**

My follow up is, I'm not sure of this, but I think one of the proxy advisors suggested you weren't independent? Is that...

**Harold Mitchell**

Yeah, well they don't know me very well, Stephen, as you well do. I'm very independent.

**Stephen Mayne**

What is the question mark about your independence?

**Harold Mitchell**

I don't know. You'd have to ask them.

**Stephen Mayne**

Well, what did they say?

**Harold Mitchell**

I'm very independent, Stephen. I've run and built our own business. You're a shareholder. I should just say to the room, I've welcomed you at shareholder meetings before and now

from about 2001 onwards, you might recall. I was very independent then, and I'm very independent now. I don't know what they thought of that. But I'm an independent director.

**Stephen Mayne**

Okay, so as an independent director, could you give us a very quick summary of how you, with all of these allegations that have been made, and whether it's appropriate to deny absolutely everything, and to continue on with the non-independent chair model as opposed to setting up a board committee to formally deal with very, very substantial governance matters?

**Harold Mitchell**

Well, I think we've heard from three of the independent directors before. And I haven't disagreed with any of those comments. We can go through them all again, but I think that they've been well stated. I think also that the Chairman at the beginning of the meeting covered all of the matters. This is the most regulated industry in Australia. We came from the background of the media, relatively regulated, very much in the public eye. But this is the most regulated industry, and we deal with all of those, they continue on and that's the case today.

**Tim Costello**

Harold, a question...

**Harold Mitchell**

Tim, good morning.

**Tim Costello**

Good morning. Great to see you.

**Harold Mitchell**

Good to see.

**Tim Costello**

So I've heard the refrain over and over. We are the most regulated industry in Australia. I'm sure the banks would have said that Harold.

**Harold Mitchell**

No, no, we are.

**Tim Costello**

And I'm sure others would say that too.

**Harold Mitchell**

We are.

**Tim Costello**

It doesn't deal...

**Harold Mitchell**

Tim, we are.

**Tim Costello**

Okay. It doesn't deal with the public perception of what's going on as an independent director given what's been in the media. As an independent director, do you really believe just parroting, we are the most regulated, is a sufficient defence?

**Harold Mitchell**

Tim, let me just stop you at that point. People like myself and all of that, all of the board, we talk about directors, they might be independent. This is a board of people that are representing all of the rest of you people in the room here today, all of the shareholders about shareholder value. That's very important.

And I never arrive and think, well, they're there, and we're different to all of that. That's very important. You mentioned the word parroting. I take objection to that. I'd have to say, that's not the way we look at it in every way. I do care about this organisation. Remember, you probably would, 25 years ago when Ron Walker and Lloyd Williams, took over what was a pile of sheds, and they've turned it into the industry that it is now, that I care about that. It employees 18,500 people here, in Perth and in Sydney.

Important thing to do, you mentioned something before about the sort of business that we're in. I understand because we've had chats separately. You've visited me in my office. I understand and I have sympathy with many of the things you say. We agree on some and not others. But I remember right at the beginning what this was about, was a world of entertainment. Now, of course, it also is a gaming place. It's legal. It's appropriate, and we care about that too. But I care, as we all do here, Tim, about the reputation of this company. I care about the people.

I often say, "How are our people going?" Because when we see those things occurring out there, I worry for our people. I'm okay. I've got a thick skin. I can handle all of that. We've got 18,500 people that work here. They read the newspaper. You make the point, I think Stephen did, or one of the others, about making statements as we do. When we see something where we need, we have to make a statement. I'll tell you this, having been involved in the media business since I was 16, you leave a void, someone else will fill it. And if you believe that you need to correct some matters, you do. And that's important, otherwise it continues on, and that's all of what we do and I think that that's probably your approach to life too. If you think something has to be said, that point has to be made. You make it.

**Tim Costello**

So, I apologise if I offended you using the word parroting. What I'm trying to say Harold, and as a media person you above all understand this, the line, "We are the most regulated," only creates the void. And we've now got a burning question.

**Harold Mitchell**

I'm sorry, I don't get your point there.

**Tim Costello**

When you actually bunker down...

**Harold Mitchell**

We're not bunkering down, Tim.

**Tim Costello**

Well, let me tell you my perception.

**Harold Mitchell**

What's your question?

**Tim Costello**

The question is simply saying we are the most regulated has left a void and there is a burning platform now in public perception, in whistle-blowers and ongoing leaks. Surely as a media person, as an independent director, you must think there is another strategy?

**Harold Mitchell**

Well you make the comments a little like Helen said before, that I don't agree with everything and burning platform. This as a company that isn't under great attack. It's regulated, it's carefully watched. I've been here eight and a quarter years, and there's always been a matter that's been in the newspapers about... It attracts attention. I wouldn't say a burning platform. That isn't the case at all. This is a successful company. I'll say again, 18,500 people. It built from 25 years ago, a group of sheds here. You well know what happened with all of that. An industry, a world of entertainment.

**Tim Costello**

Well, I'll just say Harold, because you and I share a lot of views about, you know, that I do the funerals for people...

**Harold Mitchell**

And I've helped with a few things, as you well know.

**Tim Costello**

Oh absolutely. You're very generous.

**Harold Mitchell**

Thank you very much.

**Tim Costello**

You are very generous.

**Harold Mitchell**

Thank you.

**Tim Costello**

But you also know I do the funerals for people who take their lives, because they haven't been able to break the silence of addiction. When the world of entertainment is always trotted out... We know over 80% of the funding model comes from gambling. You have to address it Harold, there must be another strategy.

**Harold Mitchell**

And Tim, the room will be sympathetic to you, as we all are on matters like that. I agree entirely with everything that you say about that. That we care about people. I do. We all care about people.

**Tim Costello**

Okay.

**Harold Mitchell**

Stephen, good to see you again.

**Stephen Mayne**

Just one last one Harold, so you talk about you're really highly regulated. Now, US regulators have refused to give probity approval over many years to entities associated with the Ho family. Does that concern you as there are requests for board representation here for the Ho family, after they've done their deal with James Packer?

**Harold Mitchell**

What's your specific question to me?

**Stephen Mayne**

The regulators...

**Harold Mitchell**

Which regulators?

**Stephen Mayne**

Gaming regulators in New Jersey and other jurisdictions have refused to license and approve the probity approval to James Packer's proposed business partner. Are you comfortable with this process?

**Harold Mitchell**

I'll answer the question by avoiding it, but not on purpose. Because when I'm here, I'm concerned about the company, its people, its shareholders, including yourself in every way like that. I get concerned about all of those headlines in every way, another country and

other places and things such as that. We've got... As you would've heard before, we've got people in place here to look at everything that we have to do to follow our regulations, and we do, at every point. And it's examined in the press, wherever it might be, here today. I thank you for every one of your questions. A lot of questions Stephen, today, but I thank you for all of those. And I'm concerned about shareholders and the people here. Tim? Stephen? Okay.

**Tim Costello**

No more for Harold.

**John Alexander**

Mike? You please go ahead, Mike.

**Michael Johnston (CPH nominee on Crown board)**

Sorry, just in connection with the Ho family, you will recall that we were in a joint venture. Crown was in a joint venture with Melco International. That joint venture was subject to scrutiny or association with them, was subject to scrutiny, not just here in Australia, in each of the states in which we operate. But you recall we also had operations at that time in two US states, Nevada and Pennsylvania. And obviously neither of those states had concerns with Lawrence. So just to clarify that point. That's, of course, different to being an owner of Crown, but as a business associate.

**Tim Costello**

Since you invited me, Harold, one last question. Don't want to disappoint you. So when I was here at the last AGM, James Packer I thought was very good on the question of transparency. Saying, "We do need to move to more transparency. The world is moving toward more transparency." You know that in these situations to actually admit where you've got it wrong. To be transparent is the only way to actually, really as a strategy, rebuild trust. As an independent director, I think I'd like to hear your view on not even releasing the transcript of today's AGM. Do you agree with that?

**Harold Mitchell**

I think there's a point that needs to be corrected. It's webcast and is on our website, I believe.

**Mary Manos**

Yes.

**Harold Mitchell**

I don't know. Perhaps Mary could answer that. Could you Mary?

**Mary Manos**

That's right. We undertook to make it available by webcast this year, and that's what we've chosen to do on the website. Yeah.

**Harold Mitchell**

Although I'd have to say Tim, there's probably going to be mainly two voices. The two from over there. So you'd get a bit tired. I hope you like it.

**John Alexander**

Is there no more questions for Harold I'd now like to move to voting. The same procedure as before. One for yes, two for no, and three to abstain. Again, if anybody requires any assistance, please raise your hands. Are there any shareholders that have not voted? Thank you. The poll on this item of business is now closed.

I'm advised that the votes and the resolution have now being counted. They're displayed on the screen. As you can see, the results show the resolution has been passed. I declare the motion to re-elect Harold Mitchell, carried. Congratulations Harold.

The next item of business is the adoption of the remuneration report. The Corporations Act requires that shareholders consider a resolution that the remuneration report be adopted. The vote is advisory only and does not bind the directors or the company. The remuneration report for the year ended June 30, 2019, is included in the 2019 annual report, and I'll take it as read. The Corporations Act contains restrictions on who may vote on this resolution. These restrictions have been described in the notice of meeting, and Crown has adopted procedures to ensure that those restricted persons do not vote on the item, except where permitted by law.

I now propose a resolution that the remuneration report for the year ended June 30, 2019, be adopted. Other proxies received before the meeting for the resolution are now shown on the screen? I will now invite questions and comments.

**Facilitator**

Geoffrey Bowd returning to the floor.

**Geoffrey Bowd**

Thank you again, Mr Chairman. Although some aspects of the Crown remuneration policy don't conform to what we would generally consider to be best practise, we have, I think in applying some pragmatism, recognised at the past two AGMs, that Crown is undergoing a major transition from the company it was, with a major international exposure. We will again today support the resolution.

Last year we made it clear that we would like to see improved transparency in the short term incentive plan. Crown have done what they said they would do, and we are pleased to commend crown for what is a very good presentation of the STI plan in the 2019 remuneration report, within the annual report. Crown has produced the metrics of the column listing and describing performance objectives including a weighting for each objective within adjacent column describing respective outcomes. It is very well done and I hope our comment is passed onto those who produced it. As financial performance objectives, were not achieved for the 2019 financial year. No short-term bonuses have been paid to senior executives. The ASA respects the integrity in this decision.

The ASA has accepted at past AGMs, as I said before, due to extraordinary, we think, transition circumstances. The long-term incentive plan, which is simply a retention incentive linked to the share price in 2017, plus a fee, at a 2021 market price. This incentive is probably not in the money yet. There is a sunset clause on this. Mr Chairman, do you plan to

replace this during financial year 2021, with a different long-term incentive plan? A plan which demands achievement of stretch performance targets and a similar timeframe to the present plan that is at least four years?

**John Alexander**

Thank you, Geoffrey. At this stage there's no plan to replace the existing LTI scheme. Geoff as head of Nom and Rem, you might like to comment?

**Geoff Dixon**

No, there isn't any plan, and thank you for the comments. I know that people are concerned occasionally about some aspects of our remuneration, but I think the performance of the company leave out what I think we all believe are sensational allegations is very, very good, as you mentioned. We have consistently delivered very, very good results and paid very, very good dividends, and really that's what it's about.

**Stephen Mayne**

Well, first off, just a clarification on the proxies. The practise over the years of CPH or Mr Packer voting on Rem has varied. Some years he has voted, and some years he hasn't. Questions of the law and whether he's voting on his own pay, or the pay of his nominees. It looks like he has voted. Just ask you to clarify that that is the case? Because the voting numbers are the same in all resolutions.

**Mary Manos**

Stephen, as I said earlier, I'm not going to say who has or hasn't voted. But there would be nothing precluding our shareholder CPH from voting. You'd know that the restrictions in relation to who can vote on the Rem report, extend to the members of the key management personnel, whose details are in the Rem report. So that's our directors and the four named execs and any of their closely related parties. So, if it's company they control or spouses, et cetera.

**Stephen Mayne**

Yeah. All right, well it looks like without James Packer's 250 million votes, we would have had a strike today. So there's clearly a material concern amongst the shareholders. Could you articulate what that concern is? Has that been conveyed to the Rem committee by the proxy advisors? What is the issue which is causing \$1 billion worth of stock to be voted against this resolution?

**Geoff Dixon**

I think this has been relayed over a period of three years that some people do not like what they claim to be high fixed remuneration. And I think when you look through most of Australian companies, it is not that high any rate. And I'd like to just take some issue with the fact that somehow James is not allowed or shouldn't be voting for this. The major shareholder has as much rights as a minority shareholder. Certainly, got as much right as your 10, I think and I think he's allowed to do it if he's doing it.

**Stephen Mayne**

I agree. I was just seeking clarification that that's what he'd done.

**Geoff Dixon**

Look, the report has been quite well supported. That's a matter of opinion like most the other things you're talking about today and I think we tend to disagree.

**Stephen Mayne**

My final contribution. I'm actually going to speak against this resolution and vote against it, and articulate the reasons to my concerns. First one is the size of the Executive Chairman's salary, that's at a \$4.5 million. I mentioned earlier, that's been \$73 million paid by public companies to Mr Alexander over the last 20 or so years, which is a very large amount of money. I'm disappointed with his performance for that sort of pay, and that is my issue. And his lack of communication, his combativeness, the fact that he doesn't meet with proxy advisors, he doesn't meet with the stakeholders...

**Geoff Dixon**

Are you asking a question or are you making a comment?

**Stephen Mayne**

I'm speaking against this resolution, explaining why I'm doing that. And I just feel that the whole culture and approach from a very combative and dominating executive chair, is causing us a lot of trouble. And in voting against this resolution, I'm also sending a message to the independent directors to, at the first meeting after this AGM, to change the situation. Let John be the CEO who's not elected, but it was poor form to not put the Executive Chairman up for election. Poor form to knock back a transcript. I just feel that the directors need to step in and appoint one of your lot, the chair, the independent chair. The fact that you haven't even gone for a lead independent director.

So today, we've had no one to talk to as the nominated lead independent director, which is standard governance, plus excessive pay. I just ask you, as independent directors, to do your job for the independent shareholders, and to move away from a long time loyal combative Packer employee, who's been paid \$73 million, shouldn't be in charge of everything, holding two jobs. Be conventional, and step in and appoint one of your lot as the independent chair and normalise the governance of this company as it's under siege, like no other company, with four days of public hearings into our integrity of our visa processes by the federal government next week. Just to mention one of the many issues that we're dealing with at the moment, which go to our integrity and our operations.

**Geoff Dixon**

Well, Stephen, look, I'd like to say I reject that straight away. I really, really hope my current fellow directors, who won't be in the next five minutes, reject what you say. John has been an outstanding leader of this company.

**John Alexander**

Are there any other questions regarding the report? Thank you. So I'll now put the resolution to a vote. All those in favour of the resolution, please press one on your handset, for. Against, two. And those who wish to abstain, three. Please raise your hand if you need any assistance. Are there any other shareholders who've not voted?

Thank you. So the poll on this item of business is now closed.

I'm advised that the votes on this item of business have now been counted. They're displayed on the screen. As you can see, the results show that the resolution has been passed. The results also indicate that the vote cast against the document or report are under 25%. Thank you, shareholders.

Shareholders are now invited to ask general questions. I'm not sure we require any other general questions, or make comments on every matter related to Crown. Again, please limit yourself to two questions. Does any shareholder have a question?

**George Geary**

George Geary. I know I've asked this before, but I know it's pretty difficult for Crown to make a comment or do anything about it, but the bicycle riders along Southbank, quite frankly, are just going way too fast. I know you've had discussions with the council about it. Have you had any more discussions on them? Because quite frankly, they seem to think they're still in the Tour de France.

**John Alexander**

Mr Felstead would like to address your question.

**Barry Felstead**

Thank you very much for the question. I do agree. I walk there regularly and they do go extremely fast. We have had discussions with the council, with not a lot of joy unfortunately, so it is an ongoing piece of work. We've looked at installing speed bumps and the like, but that just doesn't work, unfortunately. I would like to see them go slower as well. Thank you.

**George Geary**

Maybe just ask for some signs.

**Barry Felstead**

Yes, we could do that. But generally, when you put signs up to that effect, they generally ignore that, unfortunately. I'm not anti-cyclist, don't get me wrong, but it is an issue. I can certainly assure you of that.

**Stephen Mayne**

With the billion-dollar project at Queensbridge Square, I was on the City of Melbourne as a Deputy Chair of the Planning Committee as this process was starting, and Council was dead against it. You got a special deal from Daniel Andrews to build the biggest building in Melbourne. You were given two years to do it, and then you never did. Then now, they've taken that right away. So why didn't, having worked so hard to get the special approval to build the biggest building in Melbourne, didn't you actually get on and do it?

My second final question is, John's a famous cost-cutter, and he's obviously been going quite hard with the staff, because we've had union marches, a number of high-profile media of union marches and protesting, saying Crown is being unfair.

Now, I remember having a meeting with James Packer a few years ago, and he kept telling me how proud he was of the fact that Crown had been appointed Employer of the Year three times. Yet now, our staff appear to be revolting. So what's happened? Are we just going too hard with our own people as well? And how are we managing this situation of where the

staff are making lots of attacks and allegations on us? And I suspect, frankly, that it's contributing to this whole culture of we're a tough company, we don't treat people that well, and everyone's leaking against us, because of the culture. If even the staff are doing it, what are you doing to address that issue?

### **John Alexander**

Thank you, Stephen. Just on the latter, firstly, I reject the fact that we're going hard on our staff. Far from it, there are enterprise agreement negotiations underway right now, so you'd expect in a normal EA negotiation for some people to lobby. That's what's happening. If you look at our EA as opposed to the awards in this state, we have a significant positive delta of the award that is above the award payments. On Queensbridge, and I'll invite Ken to jump in shortly, the reason why that project didn't proceed under the original plan was the state of the residential market in Melbourne at the time. We as a board felt we should not expose this company to the risk of actually, obviously building something which would have been less than appetising for shareholders. Ken?

### **Ken Barton**

Yeah. Thanks John, you've covered I think, for the number of years, Stephen, we've provided updates to the market on our progress around Queensbridge, and we've made it quite clear that a prerequisite for us to undertake that project was to have limited exposure to residential risk. Looking at a range of measures we could undertake to try and minimise our exposure to the residential market is the key. The objective of that project was to give us additional hotel capacity at the east end of the property. With our inability to find a solution that de-risked the residential component for us before the approval lapsed, we weren't able to undertake that project.

### **Tim Costello**

So as you know, I'm only here to help Crown. A helpful suggestion. We now know, and this is I think to Professor Horvath, that the dopamine release when you're playing pokies hits the pleasure centres of the brain with the force of cocaine. That if you play regularly, you will get addicted. It's why the Victorian government have changed the week from a Responsible Gambling week, you're irresponsible, blame the individual, to Gambling Harm Awareness week. We know it does harm.

Why wouldn't Crown think, being a leader in the gambling sector, to say, we will look at the consumer warnings on our machines. They're very weak. We will even consider, as a leading first edge leader, to maybe say our machines will have pre-commitment, voluntary, where you can set the amount of losses you can actually sustain. You voluntarily set the time, Crown actually stepping into the concern, socially, that's out there about the damage being done and taking a lead.

### **John Horvath**

Tim, thank you for your question. As you know, two years ago, we met here. You and Stephen had made a number of suggestions. We met, I don't remember the exact time. Maybe four, or five, or six... we met numerous times together. All the things that you suggested, we have actually implemented. We are always striving to do better, and we've done a whole lot of things. Earlier, the comment from Stephen about cost-cutting. We've in fact increased our Responsible Gaming staff by five additional full-time employees in Melbourne, following discussions with you and with other people, and similarly in Perth.

We recently looked at our signage. I'll look at them again. In fact, the VCGLR had approved the new signing. We just can't make up signs, as we've said. You're going to say I'm parroting, of course. But we are highly regulated. The VCGLR tell us what signs, what size, what words to use. So we'll look at those signs again. We were the first to introduce limited loyalty programs, where people could limit their use with the loyalty card. We will look at all of those things, as usual. If you've got other suggestions, you know my number.

**John Alexander**

Thanks, John. If there are no other questions, I declare the meeting closed. Thank you very much for coming.