



**ASX/MEDIA RELEASE
FOR IMMEDIATE RELEASE
11 August 2021**

VICTORIAN ROYAL COMMISSION – CROWN'S CLOSING SUBMISSIONS

MELBOURNE: Crown Resorts Limited (ASX: CWN) (Crown) announced that Crown's written closing submissions are now available on the website of the Victorian Royal Commission, which can be found at <https://www.rccol.vic.gov.au/submissions>. Crown's submissions are also available on the Crown website at <https://www.crownresorts.com.au/investors-Media/Royal-Commissions>.

Crown's written closing submissions are in two parts:

- its closing submissions dated 2 August 2021 (Crown's Closing Submissions), which respond to the submissions of Counsel Assisting the Victorian Royal Commission and also address certain governance matters on which the Commissioner sought submissions (described below); and
- a further written submission dated 9 August 2021 (Crown's Sub-Lease Submissions), which responds to certain enquiries made by the Commissioner at the hearing of oral closing submissions on Tuesday, 3 August 2021. Crown's Sub-Lease Submissions address the areas of the Melbourne Casino Complex which may be required to be sub-let if Crown Melbourne's licence is cancelled or surrendered.

The Victorian Royal Commission is expected to report its findings and any recommendations by 15 October 2021.

Crown's Closing Submissions on Governance Matters

The Commissioner sought Crown's submissions in relation to certain governance matters. Crown's submissions on these matters are set out at paragraphs C.151 and C.152 of Crown's Closing Submissions.

Crown provides a summary of its submissions on these matters at Annexure A.

Crown's Sub-Lease Submissions

During the hearing of oral closing submissions on Tuesday, 3 August 2021, the Commissioner made enquiries as to the areas which may be required to be sub-let if Crown Melbourne's licence is cancelled or surrendered.

Crown has made submissions that address this issue. In the event that the Melbourne Casino licence is cancelled, Crown accepts that the State may require it to grant a sub-lease at market rent. However the area to be sub-leased is limited to the casino area, and does not include the other parts of the Melbourne Casino Complex, such as hotel, restaurant, retail, recreation, entertainment and carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas.

Crown provides a summary of its submissions on these matters at Annexure B.

ENDS

This announcement was authorised for release by the Board of Directors.

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COPIES OF RELEASES

Copies of previous media and ASX announcements issued by Crown are available on Crown's website at www.crownresorts.com.au.

ANNEXURE A – Summary of Crown's Closing Submissions on Governance Matters

Crown provides the following summary of its submissions in relation to certain governance matters.

- Crown was asked whether the restriction on holding, or having a relevant interest in, more than 5% of the shares in Crown Melbourne should be extended to holding, or having a relevant interest in, 5% (or 10%) of the shares in Crown. Crown submitted that if a restriction were to be imposed on a person holding, or having a relevant interest in, more than a prescribed percentage of its issued shares, the appropriate restriction to apply to all shareholders would be that a person's interest in Crown must not exceed 10% without the written consent of the Victorian gaming regulator and/or the Minister. This reflects the restriction that the NSW and Queensland governments have imposed on shareholdings in Star Entertainment Group Limited (Star). Star holds the casino licence in NSW and three of the casino licences issued in Queensland. In each instance the shareholding cap is 10% but can be exceeded if written consent is sought and obtained from ILGA in NSW and the Minister for Liquor and Gaming Regulation in Queensland.
- Crown was asked whether, if a restriction in holding, or having a relevant interest in, shares in the holding company is imposed, that restriction should apply to the CPH group as from September 2024 when their undertaking to ILGA not to exercise the power to appoint directors expires. Crown submitted that any restriction on a person holding more than 10% of the issued shares in Crown without the prior written approval of the Victorian Commission for Gambling & Liquor Regulation (VCGLR) and / or the Minister should apply to all shareholders. However, appropriate transitional provisions will be required to address any person who has such a shareholding at the time the restrictions are implemented.
- Crown was asked whether obligations imposed on the State to pay compensation in relation to certain events under the Casino Management Agreement should be repealed. Crown accepted that it should have no entitlement to compensation if any conduct on its part leads to the VCGLR taking disciplinary action against it and proceeding to cancel or vary its licence as a result. Crown also accepted that the regulatory certainty regime in the Casino Management Agreement should not operate so as to create a significant monetary disincentive for the State or VCGLR taking measures to give effect to any recommendations made by the Victorian Royal Commission. Crown submitted that it is willing to engage in discussions to agree appropriate amendments to the Casino Management Agreement to achieve this outcome. Having regard to the issues raised in the Victorian Royal Commission and current circumstances, Crown also submitted that it is willing to discuss with the State other possible amendments to Part 5A of the Casino Management Agreement.
- Finally, Crown was asked whether the Casino Control Act should be amended to require that some directors of a casino licensee be independent of any holding company. Crown submitted that it has no objection to a requirement that some directors of a casino licensee be independent of any holding company.

ANNEXURE B – Summary of Crown's Sub-Lease Submissions

Crown provides the following summary of its submissions in response to the Commissioner's enquiries as to the areas which may be required to be sub-let if Crown Melbourne's licence is cancelled or surrendered:

- Under the Crown Lease – Melbourne Casino Site dated 19 November 1993, Crown Melbourne leases the land bounded by the Yarra River, Clarendon Street, Whiteman Street and Queensbridge Street from the State for a 99 year term.
- Clause 26.5 of the Casino Management Agreement provides that if the casino licence is cancelled, the State may require Crown to grant a sub-lease of the "Melbourne Casino" to any new casino operator.
- The "Melbourne Casino" is described by reference to certain drawings as those areas of the Melbourne Casino Complex which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on.
- The Melbourne Casino Complex includes the Melbourne Casino (as described above) and the areas defined as the "Ancillary Facilities", which include hotel, restaurant, retail, recreation, entertainment and carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas.
- As a result, in the event of cancellation or surrender of the casino licence, the Management Agreement imposes an obligation to sub-lease only those parts of the Melbourne Casino Complex that are identified as those areas which constitute a casino (if required to do so by the State). The Management Agreement does not impose an obligation on Crown to sub-lease the Melbourne Casino Complex in its entirety, or any part of the Melbourne Casino Complex areas other than those areas that constitute the Melbourne Casino.
- In the event that the Melbourne Casino licence is cancelled, Crown accepts that the State may require it to grant a sub-lease of the Melbourne Casino (as described above) at market rent.
- Crown has also submitted that cancellation of the licence followed by a requirement to sub-lease would not be in the public interest for the reasons referred to in Crown's Closing Submissions and would also have the very real potential to trigger events of default under Crown's debt facilities.