

**Crown Resorts Limited  
Scheme Meeting  
20 May 2022  
Transcript of Proceedings**

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**Bronwyn Weir**

Morning everyone and welcome to the Scheme Meeting for Crown Resorts. My name is Bronwyn Weir, and I'm the Company Secretary at Crown. I'd like to begin by acknowledging the traditional owners of the land on which our resorts are located and pay my respects to their elders, past, present and emerging. I will now provide an overview of how to vote and ask questions via the online meeting platform you are using today. If you have any difficulties, you can contact the helpline number displayed on the platform. If we experience any technical issues during today's meeting that results in a significant number of shareholders being unable to participate, the Chairman will adjourn the meeting. If that occurs, Crown will lodge an ASX announcement that sets out the details of the reconvened Scheme Meeting.

At the top of the online platform, there are two icons: Vote and Q and A. There is also a document section showing two documents: the Scheme Booklet, which includes the notice of meeting and the Scheme Meeting Online Guide, which provides guidance on how to use the platform. If you would like to submit a written question, you can do so now using the Q and A icon. Instructions on how to do this are shown on the slides. I encourage you to lodge your questions as soon as possible. We will address any questions submitted via this platform. You may also ask questions via telephone during the meeting. To do so please follow the instructions displayed on the online platform.

As outlined in the Scheme Booklet voting at today's meeting will be conducted by a poll. Shareholders and their proxyholders, attorneys and corporate representatives are entitled to vote on the Scheme resolution. Shareholders had the opportunity to appoint a proxy for today's meeting. If you did not do this, you may now vote online during the Scheme Meeting, using the Vote icon. Instructions on how to do this are displayed on the slides. You may vote at any time from now, voting will remain open for two minutes after the meeting has closed. Once again, if you have any difficulties, please call the helpline number displayed on the platform.

I will now hand over to the Chairman of Crown Resorts to formally commence the meeting.

## **Ziggy Switkowski**

Thank you. Thank you very much, Bronwyn. Good morning, everyone. My name is Ziggy Switkowski. I am the Chairman of Crown Resorts Limited and I will be chairing today's meeting.

As a quorum of shareholders is present, I declare the Scheme Meeting open, and on behalf of the Board and management of Crown, I welcome you to this Scheme Meeting, which has been convened in accordance with the orders of the Federal Court of Australia made on the 29th of March, 2022.

Today is a significant day in the history of Crown. This Scheme Meeting was convened to consider the Scheme of Arrangement for the proposed acquisition of Crown by SS Silver II Pty Ltd, an entity owned by funds managed or advised by Blackstone Inc, and its affiliates who I will refer to during this Scheme Meeting as Blackstone. Throughout this meeting, where I refer to shareholders of Crown, I am excluding SS Silver III Pty Ltd, a related body corporate of Blackstone, which holds a current shareholder in Crown and is not participating in the Scheme.

Joining me online today are my fellow non-executive Directors, Jane Halton, Nigel Morrison, Bruce Carter and Anne Ward, and also joining me online today are our Chief Executive Officer and Managing Director, Steve McCann, our Chief Financial Officer and Company Secretary, Alan McGregor. All other attendees are participating in the Scheme Meeting via the online platform.

So before moving to the formal business, I would like to say a few words about the proposed Scheme of Arrangement. Details of the Scheme are outlined in the Scheme Booklet dated 30th of March, 2022, which was made available to shareholders in accordance with the orders of the Federal Court of Australia.

If the Scheme is approved and implemented, Blackstone will acquire all shares in Crown that its related bodies corporate do not already own from Crown shareholders for a consideration of \$13.10 cash per share. Accordingly, if the Scheme is implemented Blackstone and its related bodies corporate will own 100% of Crown.

Blackstone Inc. together with its affiliates is one of the world's leading investment firms, investing capital on behalf of pension funds, large institutions and individuals.

Blackstone Inc. is headquartered in the United States and has offices across Europe, Australia and Asia. Blackstone is listed on the New York Stock Exchange.

The \$13.10 cash per share offered by Blackstone represents a significant premium and uplift in value from the offer made by Blackstone in March, 2021 and follows three earlier proposals from Blackstone.

In making the recommendation, your Directors have considered an extensive range of issues and have had regard to their overarching responsibility to act in the best interests of Crown shareholders.

In particular, the Crown Board has identified a number of reasons why you should vote in favour of the Scheme and also a number of reasons why you may wish to vote against the Scheme. These have been set out in detail in the Scheme Booklet and are summarised on the current slide.

Having regard to these matters, your Directors believe the reasons to vote in favour of the Scheme, outweigh the reasons to vote against the Scheme.

The Crown Directors appointed Grant Samuel as the independent expert to assess the merits of the Scheme.

The independent expert concluded that the Scheme is fair and reasonable, and therefore is in the best interests of Crown shareholders in the absence of a superior proposal.

The independent expert's conclusions are set out on the current slide.

The independent expert estimates the underlying value of Crown shares to be between \$12.52 and \$14.18, without adjusting for any contingent liabilities to which Crown may be exposed.

The independent expert has concluded that the Scheme consideration is fair, even if none of the contingent liabilities arise.

If any contingent liabilities are realised by Crown, then this is likely to have a negative impact on the value of Crown shares. And the independent expert's report is set out in full in Annexure 1 of the Scheme Booklet.

The Crown Directors continue to unanimously recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of shareholders.

Shareholders should also have regard to the interests of Crown Directors, including the Managing Director, Steve McCann, when considering the Board's recommendation. These details are disclosed in Section 9 of the Scheme Booklet.

At the time of this Scheme Meeting today, no superior proposal has emerged and Crown Directors are not aware of any superior proposal that is likely to emerge.

Prior to the Scheme Meeting each Crown Director who holds Crown shares, instructed that these shares be voted in favour of the Scheme.

I would like to comment on the conditions precedent to the Scheme by noting that the Crown Directors are not aware of any circumstances which would cause any of the outstanding conditions precedent not to be satisfied, except as we've laid out in the Scheme Booklet.

Crown and Blackstone continue to make progress in relation to the satisfaction of the conditions precedent required under the Scheme Implementation Deed. As previously announced the Foreign Investment Review Board condition precedent has been satisfied. In addition, I'm pleased to confirm that the condition precedent that required a number of counterparties to certain material contracts to consent to a change of control, has now been satisfied. And the Northern Territory Racing Commission has determined to approve the acquisition of Crown by Blackstone, pursuant to certain licence conditions applicable to Crown's subsidiary business, Betfair, subject to the gaming regulators in Victoria, Western Australia and New South Wales, also granting their approval to the acquisition of Crown by Blackstone.

In relation to the outstanding gaming regulatory approvals, Crown has been informed by Blackstone that Blackstone is continuing to consult with the relevant regulators in Victoria, Western

Australia and New South Wales in relation to the terms and conditions of the approvals. That process is ongoing and in its final stages, which will extend into June. The Scheme is conditional on the outstanding regulatory approvals being obtained on terms acceptable to Blackstone.

The Scheme also remains subject to a number of other customary conditions precedent, including shareholders approving the Scheme resolution at this meeting and the Federal Court of Australia approving the Scheme.

Although shareholder approval is a conditioned precedent, it does not need to be the final condition to be satisfied. Accordingly, the Board considered it was in the interests of shareholders to proceed with the vote today to reduce any potential delays between receipt of the outstanding gaming regulatory approvals and the completion of the transaction, including transfer of funds to the shareholders.

If the Scheme resolution is passed today by the requisite majorities, and when the conditions precedent to the Scheme are satisfied, Crown will apply to the Federal Court of Australia for approval of the Scheme.

We at Crown have a scheduled Court hearing for the Scheme on May 24, 2022, next week. Given all gaming regulatory approvals are not expected to have been obtained by that time, at the hearing on May 24 Crown intends to request a short adjournment for the hearings to be held during the week commencing June 6, 2022 subject to the Court's availability.

Crown will continue to assist Blackstone as it works towards obtaining the required gaming regulatory approvals, and Crown will announce to the ASX material developments in respect of Blackstone's gaming regulatory approvals, and the date for the final Court hearing to approve the Scheme.

When the Court approves the Scheme, a copy of the Court orders will be lodged with ASIC, following which the Scheme will become legally effective and Crown shares will be suspended from trading on the ASX.

Subject to all conditions being satisfied, shareholders can expect that the takeover by Blackstone will be implemented on approximately the 7th business day following the date on which the Scheme becomes effective, at which time shareholders will be paid their Scheme consideration.

If the outstanding conditions are not satisfied, or the Scheme is not approved by shareholders and the Court, the Scheme will not proceed and Crown will continue as a standalone entity listed on the ASX.

So I will now move to the formal business of the meeting and turn to the Scheme resolution.

The sole item of business today is to consider, and if thought fit, to pass the Scheme resolution, which is set out in the Notice of Scheme Meeting contained in Annexure 4 of the Scheme Booklet. The Scheme resolution is now also shown on the current slide, and reads as follows: That, pursuant to and in accordance with Section 411 of the Corporations Act 2001, the Scheme, the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part, the Scheme is agreed to with or without modification or conditions as approved by the Federal Court of Australia, to which Crown Resorts Limited and SS Silver II Pty Ltd agree.

For the Scheme to be approved by Crown shareholders, the Scheme resolution must be passed by a majority in number, that is more than 50% of Crown shareholders present and voting at the meeting either in person or by proxy and at least 75% of the total votes cast on the Scheme resolution by Crown shareholders present and voting at the meeting either in person or by proxy. Details of proxies received in respect of the Scheme resolution are shown on the current slide.

I'll pause to let you absorb the numbers, but it is clear from the results that shareholders who voted prior to today's meeting, that they overwhelmingly support the Scheme resolution. On behalf of the Board, I thank you for your strong support. Shareholders and other eligible participants are still able to cast their vote in relation to the Scheme resolution at any time, if they have not already done so. There will be a two minute in period at the conclusion of the Scheme Meeting before voting is closed to allow shareholders to finalise their voting using the online platform.

So I will now address any questions received relating to the Scheme resolution. I'll try to answer all the questions directly. However, I may take questions on notice if necessary. Now I don't believe we have received any questions prior to the meeting. And so, I'll now move to the written questions submitted online during the meeting followed by verbal questions. So I turn to Bronwyn for the first question.

### **Bronwyn Weir**

Thank you, Chairman. The first question comes from Stephen Mayne and the question reads, Blackstone was co-founded by billionaire, Stephen Schwarzman, who was the head of Donald Trump's Business Council and remains a personal friend. Given Mr Trump's chequered career as a casino operator in Atlantic City, and his continuing false claims about stolen elections, is Blackstone really a suitable owner of Crown's three politically, socially, economically and culturally sensitive Australian casino properties?

### **Ziggy Switkowski**

Thanks Bronwyn, and thanks Mr Mayne, for your question. There are various ownership models that apply to gaming companies around the world, including representation from a number of private equity firms of which Blackstone is a leading firm. It's clear that the acquisition of Crown by Blackstone will be subjected to a very thorough review and ongoing review by a number of regulators. And I can tell you that Crown in its current state and with a trajectory of improvement will be well equipped to manage under the stewardship of Blackstone. And Blackstone is very well aware of the remediation program that is currently in place and what is expected by the regulators.

So I think shareholders should take comfort from the fact that the conviction on the part of the Board is that Crown, under the ownership of Blackstone, will be in very good hands and all of the constituents, including those that have responsibility for overseeing compliance on the part of the company should also feel comfortable that Blackstone will be a very good gaming casino operator and a compliant one. Thank you. Next question, Bronwyn.

### **Bronwyn Weir**

The next question is from Stephen Mayne. In a great act of transparency, Sydney Airports Corporation disclosed the proxy position along with the formal addresses to the ASX, ahead of its

recent Scheme Meeting. Why didn't we do the same, and what is the proxy position? Has major shareholder, James Packer, voted 37% stake in favour of the Scheme by proxy?

**Ziggy Switkowski**

Mr Mayne, I know you're aware that there are different views as to when is the right time to display the proxy vote outcomes. We formed the view that it was appropriate and I think respectful of shareholders to take them through the justifications that I just presented and our analysis, and to then disclose the vote, which we've now done. When it comes to, how did CPH and James Packer vote? Clearly, we're not going to comment on any individual's voting decisions. On the other hand, it's simple arithmetic from the numbers that have been presented to you, to determine that CPH, the vehicle of ownership by the James Packer organisation voted in favour of the Scheme. Next question, Bronwyn.

**Bronwyn Weir**

Thank you. The next question is again from Stephen Mayne. Given that shareholder approval was never the final approval that was required for the Scheme to be approved, why did we delay the earlier Scheme Meeting, because regulatory approval had not been given, but have proceeded with this meeting? Was it Blackstone or the Crown Board who took these decisions? Isn't it a bit arrogant to go ahead with a shareholder vote before we can even know if any of the three state governments approve a controversial outfit like Blackstone taking control of our politically sensitive company?

**Ziggy Switkowski**

Thank you again, Mr Mayne, for that question. Firstly, the decisions around this process and how we deal with the Federal Court, et cetera are clearly made by the Crown Board. In the first deferral, we had a view as to how long it would take regulators to complete their work, was informed by judgement of Blackstone's position. Clearly the regulators in three jurisdictions are still working through as they must, their various issues. We have suggested the sort of dates that now are relevant to the conclusion of the process, in our view. Obviously, they are judgement calls and approximate. We have kind of flagged how we see the process unfold in order to give shareholders a better understanding of likely dates. I should say that the way the process has developed over the last, several months has probably been a bit slower than we had expected because of the nature of the industry and of Crown and the kind of work that has to be done across the jurisdictions.

However, it hasn't moved from the kind of milestones that we think we have to deliver. So we have flagged today how we see the dates coming together with a final Court hearing sometime in the early part of June and that's our best information. Next question, Bronwyn.

**Bronwyn Weir**

Next question is from Stephen Mayne. In a remarkable lack of transparency, neither Crown, Blackstone or any of the three state regulators have made any public statements about the probity of review processes that are playing out with this Blackstone bid, including the reasons for the unexpected delays in approval from all three of them. Are the New South Wales, Victorian and WA governments through their respective gambling regulators, acting together in this review, or is it Blackstone simultaneously being subjected to three separate unrelated probity of reviews?

**Ziggy Switkowski**

Most of that question can only be answered by the regulators themselves. I'd be careful about, and I hope I haven't implied that the regulators have missed deadlines, that has not been the case. We have made some assumptions as to when outcomes were likely and those assumptions have had to be revised. I don't know that I can add very much more to that comment, Mr Mayne. Incidentally, since you've asked a few questions, let me just ask you to catch a breath in case there are others, and I'll see if there are any other questions in the queue. Bronwyn?

**Bronwyn Weir**

I have one other question from Stephen Mayne, Chairman?

**Ziggy Switkowski**

Is that the last one?

**Bronwyn Weir**

No, it's not.

**Ziggy Switkowski**

I just want to see if there are other people with questions.

**Bronwyn Weir**

Yes, we do have other people with questions.

**Ziggy Switkowski**

Why don't we go to those and then I'll come back to Mr Mayne.

**Bronwyn Weir**

The next question is from Mr Ronald Guy. The past Board spent years defending their position, dismissing any possibility of corruption. How will ESG be guaranteed if Crown is taken over by Blackstone, not just passing our ESG responsibilities to a new group that may not be scrutinised as thoroughly as Crown has been in the past 12 months. Can corruption just continue under another group? It has happened once. Why will it not continue under another hat? Would it not be better to keep in shareholders hands under Crown?

**Ziggy Switkowski**

Mr Guy, thank you for that question. Look, Blackstone is an experienced owner of gaming assets. It is subject to rigorous regulatory oversight in all of its jurisdictions. It has made this bid for Crown aware of the enormity of the challenge that is presented to Crown in terms of being compliant and a suitable owner of a gaming casino licence. It is well equipped to pick up what is now wide ranging and deeply set remediation program within Crown. And as I said, and implied earlier, I think Crown owned by Blackstone and overseen by very vigilant and diligent regulators will evolve

into being a transparent, trusted, lawful gaming operator and that the environment in which we are all working now, will ensure that that is in fact, the case. Next question, please. Bronwyn.

**Bronwyn Weir**

Thank you, Chairman. I have four more questions from Stephen Mayne.

**Ziggy Switkowski**

Okay.

**Bronwyn Weir**

The first question is, have Blackstone given any indication either formally or informally as to whether any of the Crown Directors or senior executives will be offered contracts to continue working in the business, if this proposed change of control takes place? Could CEO Steve McCann, please specifically outline the contractual exit arrangements which are in place if Blackstone terminates his contract, or if he chooses to exercise the change of control provisions in his contract.

**Ziggy Switkowski**

Mr Mayne, thanks again. I'm not aware of there being, and would not expect and would not approve, of there being any conversations between Blackstone and Crown Board members or executives prior to any change of control. So that's not happening. The circumstances and conditions of Mr McCann's employment and contract have been well-articulated and debated at the latest AGM. I've really got nothing more to add to what is a familiar enough contract to Crown shareholders. Anything else, Bronwyn?

**Bronwyn Weir**

Yes. I've got another question from Stephen Mayne.

**Ziggy Switkowski**

Okay.

**Bronwyn Weir**

Blackstone still has the option to walk away if it doesn't like any of the conditions proposed by the state regulators or if it objects to adverse business developments such as the huge AUSTRAC fine, ongoing delays in the opening of Barangaroo, long term regulatory restrictions on VIP gambling and the new pokies tax imposed by the Victorian government. Crown is a gambling company. Could the Chair and CEO both comment on their assessment about the odds of the deal falling over? Are they both more than 90% confident that it will complete?

**Ziggy Switkowski**

Mr Mayne, I think your comments reveal a good understanding of the complexity of our industry and the various moving parts add to any judgement as to the risks associated with the transaction being completed. We continue to operate according to a process that will lead to a final Court



hearing in the early part of June, to be followed by shareholders, getting their money. It's not appropriate for us to make risk-based judgements. And some of the things you've itemised correctly, are unknowable at this stage. So I don't know that we need to refer to the CEO. He and I, I think, are of a similar view as to what needs to be done. We are going through the processes as we described, and we believe that the dates we've now flagged, represent our best judgement. Okay, Bronwyn anymore?

**Bronwyn Weir**

Yes. The next question is from Stephen Mayne.

**Ziggy Switkowski**

Go.

**Bronwyn Weir**

Blackstone is a big player in Latin America and operates 66 casinos in Colombia, 34 in Panama, 29 in Peru, eight in Costa Rica and six in the Dominican Republic. Is Crown aware of any regulatory concerns about Blackstone operating in some jurisdictions which have a poor reputation for corruption and good governance.

**Ziggy Switkowski**

Look, Mr Mayne, I think we're kind of moving a bit away from the focus of this meeting. And I'm just referring back to that there is one resolution in front of shareholders to agree to the proposed arrangements or not. You've seen the nature of the votes. I'm kind of reluctant to continue what is truly an interesting conversation about the world of Blackstone and that of gaming casinos around the world. But I think I need to kind cut it off at that point. So let me do that. Okay. And there are no other non-Mr Mayne questions, Bronwyn?

**Bronwyn Weir**

No, there's no further questions, Chairman.

**Ziggy Switkowski**

Okay, well, we'll all move on then.

**Bronwyn Weir**

Oh, sorry, Chairman. There is one more question.

**Ziggy Switkowski**

Okay.

**Bronwyn Weir**

From Mr Mayne. Will an archive of today's Scheme Meeting webcast, along with the transcript be available on the Crown Resorts website for as long as Crown remains a public company controlled by this Board? The regulators should be made aware of the full debate at this meeting.

**Ziggy Switkowski**

Yeah, that sounds sad to me, very reasonable, unless the Company Secretary tells me it's not possible, the answer to that is yes.

**Bronwyn Weir**

It is possible and a webcast will be on Crown's website.

**Ziggy Switkowski**

Okay. Thank you. All right. Thanks for those questions, Mr Mayne, in particular, but Mr Guy as well.

Let me take this opportunity to thank all of our shareholders for your continued support, particularly through the past 24 months, which have been marked by some of the most significant developments in the company's history.

I would like to thank, especially, my fellow Directors for their commitment and leadership through this period. This has helped guide Crown through the extensive reform program that is underway.

The Board also acknowledges and sincerely thanks our Chief Executive Officer, Steve McCann for his outstanding leadership in truly very challenging circumstances.

To the Crown executive, management team and our dedicated employees, thank you for your hard work, your resilience and commitment as we continue on our journey to restore the trust of key stakeholders as a responsible operator of outstanding integrated assets.

To all of our employees, thank you for your efforts in continuing to provide exceptional and world class service to all of our customers.

This now concludes the official business of the Scheme Meeting.

As a reminder, the results of the vote will be announced to the ASX as soon as available and will also be available on Crown's website.

As mentioned earlier, there will be a two minute period at the conclusion of the Scheme Meeting to allow shareholders to finalise their vote using the online platform

Thank you all for your participation this morning. I now declare this Scheme Meeting closed for all purposes, subject to the conduct and conclusion of the poll. Thank you and good morning.