

# Corporate Governance Statement

The Crown Resorts Limited Board is committed to the implementation and maintenance of good corporate governance practices. This Statement sets out the extent to which Crown Resorts Limited (Crown) has followed the best practice recommendations set by the ASX Corporate Governance Council (the Principles and Recommendations) during the twelve month period ending 30 June 2015. The disclosures in this Statement respond to the ASX Corporate Governance Council's third edition of its Corporate Governance Principles and Recommendations.

## Principle 1: Lay solid foundations for management and oversight

### Functions reserved for the Board and Senior Management

#### Functions reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board (in conjunction with management) is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions which are reserved for the Board.

Board appointments are made pursuant to formal terms of appointment.



#### More information

A full copy of the Crown Board Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

#### Functions delegated to Senior Executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

### Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following Committees:

Committees	Current Members
Audit & Corporate Governance	Benjamin Brazil (Chair) Rowena Danziger Michael Johnston
Corporate Social Responsibility	Helen Coonan (Chair) Rowen Craigie John Horvath Harold Mitchell
Finance	Geoffrey Dixon (Chair) Benjamin Brazil Michael Johnston
Investment	James Packer (Chair) John Alexander Rowen Craigie Robert Rankin
Nomination and Remuneration	Geoffrey Dixon (Chair) John Horvath Harold Mitchell
Occupational Health & Safety	Rowena Danziger (Chair) Rowen Craigie John Horvath Michael Johnston
Responsible Gaming	John Horvath (Chair) Rowen Craigie Rowena Danziger
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger

Each Committee has adopted a formal Charter that outlines its duties and responsibilities.



#### More information

A full copy of each of the Crown Committee Charters is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

## Director probity reviews and elections

Every appointment of a Crown director is subject to receipt of necessary regulatory approvals.

The gaming industry is highly regulated and each of the casinos in which Crown has an interest is subject to extensive regulation under the laws, rules and regulations of the jurisdiction where it is located.

Officers, Directors and certain key employees of Crown licensed subsidiaries must file applications with relevant gaming authorities and may be required to be licensed in certain jurisdictions. These investigations generally concern the responsibility, financial stability and character of the owners, managers and persons with financial interest in gaming operations and generally include requirements to obtain Police Checks and credit checks and undergo fingerprinting.

A director will only be formally appointed once all necessary regulatory approvals have been obtained. As a separate exercise, Crown undertakes its own internal investigations on the suitability of nominated directors as a pre-condition to a recommendation to the board to appoint a director.

The Company's Constitution requires that an election of directors must take place each year. In addition, directors appointed to fill casual vacancies during the year, must retire from office at the next annual general meeting following his or her appointment but are eligible for re-election by shareholders at that time. The Notice of Meeting for an Annual General Meeting sets out the background for the election and re-election of directors, informs shareholders where they can find background information on the skills and experience of the relevant director and provides a recommendation of the board in relation to the proposed election or re-election.

Accordingly, security holders are provided with all material information in Crown's possession relevant to a decision on whether or not to elect or re-elect a director.



### More information

Copies of Crown's past and present Notices of Meeting are available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading *Investors & Media – Annual Reports*.

## Director agreements

Crown directors are provided with an induction pack upon appointment which, among other things, includes a letter agreement setting out the terms of that director's appointment. The letter agreement, which directors must countersign, describes when the appointment commences and when it ends, sets out the director's powers and duties, sets out agreed remuneration

arrangements and obliges the director to comply with all Crown Policies, Procedures and Codes of Conduct.

In addition, the letter agreement requires the director to enter into a separate undertaking to inform Crown of any interests that director may have in securities (and contracts relevant to securities) so that Crown is able to comply with its disclosure requirements under Listing Rule 3.19A to provide ASX with completed Appendices 3X, 3Y and 3Z within the time period allowed by the Listing Rules.

## Company Secretary accountability

The company secretary is accountable directly to the board, through the Chair, on all matters to do with the proper functioning of the board. The decision to appoint or remove a company secretary must be made or approved by the board.

The role of the company secretary is set out in the Crown Board Charter and includes:

- advising the board and its committees on governance matters;
- monitoring that board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.



### More information

A full copy of the Crown Board Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading *Corporate Governance – Charters*.

## Diversity policy

Crown has established a policy concerning diversity and disclosed its policy on its website. The policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.

In accordance with the policy, Crown has established the measurable objectives for achieving gender diversity set out below. An assessment of Crown's progress in achieving those objectives has also been included. Except where specifically noted, these objectives have been set in relation to employees of Crown Resorts Limited, Crown Melbourne and Crown Perth groups. Going forward, Crown's other wholly owned businesses will also be included in the reports.

Objective	Crown's Progress
1. To require that at least one female candidate is presented on candidate short lists for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.	<p><b>Crown Resorts – operating across both Crown Melbourne and Crown Perth</b></p> <p>Five senior positions operating across both properties were filled during FY15. Of the five positions, four were filled by a female. The one role not filled by a female had no female shortlisted as no suitable female candidate was available.</p> <p><b>Crown Melbourne Limited</b></p> <p>Three recruitment processes for senior managers and senior executive positions were undertaken. Of those three positions, at least one female candidate was shortlisted, and two of the positions were filled by a female.</p> <p><b>Crown Perth</b></p> <p>During FY15, one senior manager position was filled via internal movement, whereby a female was appointed into the role.</p>
2. To increase the number of female participants in leadership and development programs across the group so that by 2015 females represent at least 45% of all participants.	<p><b>Crown Melbourne Limited</b></p> <p>During FY15, Crown Melbourne saw a significant growth in the number of females participating in its leadership and development programs, having exceeded its target with 46.6% female participation out of the 193 total participants.</p> <p><b>Crown Perth</b></p> <p>Crown Perth underwent a review of its leadership and development programs during FY15. As a result all programs were put on hold, with the intention to recommence in FY16.</p>
3. To incorporate a targeted mentoring program for women into existing group leadership and development programs.	<p>Crown concluded a project in FY15 to scope a targeted mentoring program, and has since developed this to be launched across both Crown Melbourne and Crown Perth properties during FY16.</p>
4. To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.	<p>In FY15, the establishment and roll-out of Crown's Australian Resorts Classification Framework was completed to optimise the approach to pay decisions, and to harmonise the distinction between career and salary levels across Crown properties.</p> <p>The new framework provides:</p> <ul style="list-style-type: none"> <li>– A rigorous framework that delivers defensible pay outcomes;</li> <li>– A consistent application of logic, recognising relativities across positions to ensure the establishment and maintenance of internal pay equity, ensuring like for like consistency, regardless of demographic variables like gender, age, and tenure; and</li> <li>– A system which not only supports pay outcomes, but also identifies career, training and associated development pathways within Crown.</li> </ul> <p>Within this new framework, Crown conducted a review on key roles within the group, specifically the top grade levels, which encompass the Business Operation Teams and Executives.</p> <p>In some areas the initial review suggested there may have been a gender pay gap within a grade level, although after further analysis it was recognised that at each grade level there were roles that spanned across varying markets. Having then adjusted for these markets, it indicated there were no significant gender pay gaps.</p> <p>Crown will continue to monitor and maintain vigilance on gender pay equity and focus on ensuring female representation in all areas of the business, including areas where the market attracts a higher salary.</p>

The proportion of women employees in the group, women in senior executive positions and women on the Board as at 30 June 2015 is as follows:

Measure	Result
Proportion of women employees in the group:	There were 4,996 women in the group. This represents 42% of the total workforce of 11,819 employees.
Proportion of women in senior executive positions in the group:	There were 24 women in senior executive positions in the group. This represents 22% of senior positions in the group.
Proportion of women on the Board:	There are currently two women out of 12 directors, or 17%. At 30 June 2015 there were two women out of 11 directors on the Crown Board.

Crown's Audit & Corporate Governance Committee has been delegated responsibility for developing and monitoring the application of Crown's Diversity Policy.

As noted above, Crown's Diversity Policy requires that Crown review its Gender Objectives annually to ensure that they remain relevant and appropriate for Crown. The Audit & Corporate Governance Committee formally reviewed the objectives and resolved that that for FY16 Objectives 2 and 3 be combined and modified to:

- recognise that leadership and development programs include a mentoring element; and
- include a requirement to now *maintain* participation leadership and development programs at the 45% level, given that the target has been achieved across the group.

In addition, it was resolved that additional objectives be added which recognise Crown's participation in the Male Champions of Change program and its succession planning processes.

The Male Champions of Change strategy centres on creating a group of influential men who work together to advance gender equality within their organisations and more broadly across society.

The Victorian Equal Opportunity and Human Rights Commissioner invited 22 Victorian male CEOs and other high profile men from business, politics, government and academia to form the Victorian Male Champions of Change (MCC). Crown's CEO, Rowen Craigie, is one of the CEOs to accept this invitation.

To enable the MCCs to develop a deep insight into the barriers that need to be tackled within each of their organisations and broader society, each Male Champion has been conducting a series of focus groups – known as Listen and Learn sessions. The objective of these sessions is to enable the Male Champions of Change to:

- Identify cultures and conditions which enable women to thrive, and
- Generate bold and innovative ideas to assist with this.

Accordingly, the Audit & Corporate Governance Committee adopted the following revised Gender Objectives with effect from 1 July 2015:

1. To require that at least one female candidate is presented on candidate short lists for all Senior Management and Senior Executive positions within the group for which a recruitment process is undertaken.
2. To maintain the level of female participation in leadership and development programs (which incorporate targeted mentoring/coaching elements) across the group at no less than 45% of all participants. **(Modified Objective.)**
3. To conduct a review on an annual basis of the remuneration for key roles within the group to ascertain the existence of any gender pay gaps and to implement action plans to address any such gaps.
4. To participate in the Male Champions of Change program and to implement relevant actions arising out of that program. **(New Objective.)**
5. To identify and implement development plans for high potential women for career progression as part of the company's succession planning processes and to ensure that these development plans are reviewed annually by the CEO. **(New Objective.)**

A report on progress against these objectives will be provided in the 2016 Corporate Governance Statement.



#### More information

A full copy of Crown's Diversity Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

### Process for evaluating performance of the Board, its Committees and its Directors

A performance evaluation of the Board and of its Committees is undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Director.

The questionnaire covers the role, composition, procedures and practices of the Board and its Committees. The individual responses to the questionnaire are confidential to each Director, with questionnaire responses to be provided to the Chairman of the Nomination and Remuneration Committee for his consideration and provision of a report to the Board.

Crown's Nomination and Remuneration Committee also has delegated responsibility for reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its Directors.

An evaluation of the Board and its Committees took place following the end of the financial year and in accordance with the processes described above.

### Process for evaluating performance of Senior Executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the financial year and in accordance with the processes described in the Remuneration Report.

## Principle 2: Structure the board to add value

### Nomination and Remuneration Committee

Crown has established a Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), John Horvath and Harold Mitchell who are each independent, Non-Executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information

regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The role of the Committee is to assist the Board to develop, maintain and implement policies in relation to:

1. the selection and appointment practices for directors; and
2. the remuneration of directors and relevant executives.

### Selection, appointment and development of directors

The role of the Nomination and Remuneration Committee includes to:

- review Crown Resorts' procedure for the selection and appointment of new directors (Selection Procedure) and make appropriate recommendations to the Board in relation to the Selection Procedure;
- implement the Selection Procedure and make nomination recommendations to the Board;
- develop succession plans in order for the Board to maintain appropriate experience, expertise and diversity;
- review Crown Resorts' procedure for the evaluation of the performance of the Board, its Committees and its directors and be primarily responsible for the implementation of the evaluation process; and
- implement a plan for enhancing director competencies and ensure that an effective induction process is in place for new directors.

The Selection Procedure requires that in the event that a new director appointment is required, the Nomination and Remuneration Committee (on behalf of the Board) must adhere to procedures including the following:

- the experience and skills appropriate for an appointee, having regard to those of the existing Board and likely changes to the Board will be considered;
- upon identifying a potential appointee, specific consideration will be given to that candidate's:
  - competencies and qualifications;
  - independence;
  - other directorships and time availability; and
  - the effect that their appointment would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time; and
- finally, all existing Board members must consent to the proposed appointment.

The Nomination and Remuneration Committee also has responsibility for reviewing the Board Skills Matrix on an annual basis to ensure it remains consistent with the objectives of Crown Resorts and existing regulatory requirements and recommendations.

### Remuneration of directors and relevant executives

The role of the Nomination and Remuneration Committee also includes:

1. the review and recommendation of appropriate Directors' fees to be paid to Non-Executive Directors; and
2. consideration of remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

Following the end of the financial year, the Committee has reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2016; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2015.

A summary of current remuneration arrangements is set out more fully in the Remuneration Report. The objective of Crown's remuneration policy is to ensure that:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- there is a clear relationship between senior executives' performance and remuneration.

### Board Skills Matrix

As noted above, the Selection Procedure for director nomination was amended as at 30 June 2015 to require that the Nomination and Remuneration Committee (on behalf of the Board) consider the effect any proposed director candidate would have on the overall balance and composition of the Board including by reference to the Crown Board Skills Matrix adopted from time to time.

The Crown Board has adopted the following Board Skills Matrix which sets out the mix of skills and diversity that the Board is looking to achieve in its membership. The Board Skills Matrix highlights the key skills and experience of the Board and the extent to which those skills are currently represented on the Board and on each of its Committees.

Skill / Competency	Board	Audit & Corporate Governance	Corporate Social Responsibility	Finance	Investment	Nomination & Remuneration	Occupational Health & Safety	Responsible Gaming	Risk Management
<b>Total Number of Directors</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Executive Experience</b> Experience in senior positions at executive levels.	11	3	3	3	4	2	4	2	3
<b>Strategic Planning and Execution</b> Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	12	3	4	3	4	3	4	3	3
<b>Risk Management</b> Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	7	2	2	2	3	2	3	2	3
<b>Financial Acumen</b> Senior executive or equivalent experience in financial accounting and reporting, capital management, industry taxation, internal financial controls and corporate financing arrangements.	6	2	0	3	2	2	2	0	1

Skill / Competency	Board	Audit & Corporate Governance	Corporate Social Responsibility	Finance	Investment	Nomination & Remuneration	Occupational Health & Safety	Responsible Gaming	Risk Management
<b>Total Number of Directors</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Governance</b> Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	10	2	4	2	4	3	4	3	3
<b>Occupational Health and Safety</b> Experience in relation to workplace health and safety.	6	1	3	1	2	3	2	3	3
<b>Environment and Sustainability</b> Experience in relation to environmental and social responsibility and community.	8	1	3	1	3	2	3	2	3
<b>Legal and Regulatory</b> Experience in legal and regulatory matters including regulatory and contractual frameworks governing gaming matters.	6	1	2	2	3	1	3	1	2
<b>Information Technology</b> Senior executive experience in information technology including gaming systems and data security.	2	0	1	0	1	1	1	1	1
<b>Human Resources / Remuneration</b> Experience in relation to remuneration practices, development of incentive plans, succession planning and director appointment processes including Board Remuneration Committee membership.	9	2	3	2	4	3	4	3	3
<b>Capital Projects</b> Senior executive experience in executing large scale projects with long term investment horizons and substantial capital outlays.	7	2	1	3	3	2	3	1	2
<b>Sales and Marketing</b> Senior executive experience in marketing coupled with a detailed understanding of Crown's strategic direction and competitive environment.	6	0	2	1	3	2	3	1	2
<b>Industry Experience - Gaming and Entertainment</b> Senior executive experience in the gaming and entertainment industry.	3	0	1	0	3	0	3	1	1
<b>Industry Experience - Hospitality and Management</b> Senior executive experience in the hospitality, food and beverage industries.	3	0	1	1	2	1	2	1	2
<b>Industry Experience – Tourism</b> Senior executive experience in the tourism industry.	5	0	2	1	2	2	2	1	2
<b>Industry Experience – Public Policy</b> Experience in public and regulatory policy, including in relation to gaming related policy.	6	0	2	1	3	2	1	1	2

The Board Skills Matrix, albeit important, is only part the Selection Procedure which the Board is required to follow. As mentioned, the Nomination and Remuneration Committee has responsibility for reviewing the appropriateness of the Board Skills Matrix on an annual basis.

Succession planning in order for the Board to maintain appropriate experience, expertise and diversity is an important part of the responsibilities of the Nomination and Remuneration Committee.

### Relationships affecting independence

The table below sets out the names of Crown's directors as at the date of this Statement, indicates which of those directors are considered to be independent directors and notes the length of service of each director from the date of their appointment to 1 September 2015:

Name of Director	Independence Status	Length of Tenure (By years and complete months)
Robert J Rankin Chairman	Non-independent	1 Month
John H Alexander BA Executive Deputy Chairman	Non-independent	8 Years, 2 Months
Benjamin A Brazil BCom LLB Non-Executive Director	Independent	6 Years, 3 Months
Helen A Coonan BA, LLB Non-Executive Director	Independent	3 Years, 9 Months
Rowen B Craigie BEc (Hons) Chief Executive Officer and Managing Director	Non-independent	8 Years, 4 Months
Rowena Danziger AM, BA, TC, MACE Non-Executive Director	Independent	8 Years, 2 Months
Andrew Demetriou BA, BED Non-Executive Director	Independent	8 Months
Geoffrey J Dixon Non-Executive Director	Independent	8 Years, 2 Months
Professor John S Horvath AO, MB, BS (Syd), FRACP Non-Executive Director	Independent	5 Years
Michael R Johnston BEc, CA Non-Executive Director	Non-independent	8 Years, 2 Months
Harold C Mitchell AC Non-Executive Director	Independent	4 Years, 7 Months
James D Packer Executive Director	Non-independent	8 Years, 2 Months

### Independent Board Directors

The Crown Board is currently comprised of twelve Directors, seven of whom are independent Directors. A majority of Directors are therefore independent. The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

### Board Chair independence

The roles of Chair and Chief Executive Officer are exercised by separate persons. Robert Rankin is Chairman and Rowen Craigie is Chief Executive Officer and Managing Director.

**Departure from Recommendation 2.5:** The Principles and Recommendations recommend that the chair of the Board should be an independent Director. Crown's Chairman is not an independent Director. Crown's Chairman is the Chief Executive Officer of Crown's major shareholder. The Board believes that the interests of shareholders are well served by a Chairman who represents the interests of shareholders and who will act in their best interests as a whole. Crown's Chairman is well placed to act on behalf of shareholders and in their best interests.

## Director professional development

The induction process for new directors involves both formal and informal elements. As noted earlier, new directors are provided with a formal induction pack which includes important information a director must know about the company and their appointment terms and includes copies of relevant constitutions, Board Charters and Policies. In addition, new directors are provided with tours of Crown's main businesses and the opportunity to spend time with various members of senior management.

The professional development program for directors has largely consisted of presentations from time to time to the Board regarding issues including: developments in accounting standards, updates in legal issues and governance processes.

In an attempt to provide more structure to director professional development, the Nomination and Remuneration Committee has recently been formally delegated with responsibility for implementing a plan for enhancing director competencies and ensuring that an effective induction process is in place for new directors. This process will involve, amongst other things, a review of the Board Skills Matrix and consideration of the extent to which those skills are currently represented on the Board and on each of its Committees. Where skills are not currently adequately represented, appropriate professional development in this area will be considered.

## Principle 3: Act ethically and responsibly: A listed entity should act ethically and responsibly

### Codes of Conduct

Crown has established separate Codes of Conduct that outline the standard of ethical behaviour that is expected of its Directors and of its employees at all times.

#### Code of Conduct for Directors

The purpose of the Code of Conduct for Directors is to ensure they have a clear understanding of Crown's expectations of their conduct and reinforces the statutory duties of directors to, among other things:

- act with proper purpose and honesty, in good faith and in the best interests of Crown as a whole;
- use due care and diligence in fulfilling the functions of office; and
- avoid improper use of information acquired as a Director, improper advantage of the position of Director and conflicts of interest.

Crown directors have an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. Directors are required to maintain the confidentiality of confidential information received in the course of the exercise of their duties and are prohibited from engaging in conduct likely to bring discredit upon Crown.

Finally, directors are obliged to, at all times, comply with the spirit as well as the letter of the law, the principles of the Code of Conduct and are encouraged to report suspected unlawful or unethical behaviour.

#### Code of Conduct for Employees

The Code of Conduct for Employees is a detailed statement of the:

- practices required by employees to maintain confidence in Crown's integrity;
- legal obligations of employees and the reasonable expectations of their stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.



#### More information

Full copies of Crown's Code of Conduct for Directors and Code of Conduct for Employees are available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Codes.

## Principle 4: Safeguard integrity in corporate reporting

### Audit & Corporate Governance Committee

Crown has established a formal Audit & Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

The current members of the Audit & Corporate Governance Committee are Ben Brazil (Chair), Rowena Danziger and Michael Johnston. All members of the Committee are Non-Executive Directors and a majority of those Committee members are independent Directors.

The Chairman of the Audit & Corporate Governance Committee, Mr Ben Brazil is an independent Director who has extensive financial qualifications and experience. He holds a Bachelor of Commerce degree and holds a senior role at Macquarie Bank in the Corporate and Asset Finance Group.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Audit & Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities. The Charter includes information on the procedures for selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.



#### **More information**

A full copy of each of the Audit & Corporate Governance Committee Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

### **CEO & CFO declarations**

Before it approved Crown's full year financial statements, the Board received assurance from the Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion:

- the financial records of Crown have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Crown; and
- that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Going forward, an equivalent assurance will be obtained in relation to both Crown's half year and full year accounts.

### **Auditor's attendance at AGMs**

Crown security holders are provided with an opportunity at the AGM to ask questions and make comments on Crown's Annual Report and on the business and operations of the company. Crown's Auditor is required to attend the AGM and security holders are therefore also provided a reasonable opportunity to ask the Auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report. Security holders are informed of their opportunity to address the Auditor in the Notice of Meeting for the AGM.

## **Principle 5: Make timely and balanced disclosure**

### **Policy to ensure compliance with ASX Listing Rule disclosure requirements**

Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The policy details processes for:

- ensuring material information is communicated to Crown's Chief Executive Officer, its General Counsel and Company Secretary or a member of the Audit & Corporate Governance Committee;
- the assessment of information and for the disclosure of material information to the market; and
- the broader publication of material information to Crown's shareholders and the media.



#### **More information**

A full copy of Crown's Continuous Disclosure Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

## **Principle 6: Respect the rights of security holders**

### **Providing online information to investors**

Crown has a dedicated corporate website which provides information about itself and its governance to investors. The website has a dedicated Corporate Governance tab which sets out Crown's Charters, Policies and Codes, describes Crown's Board Committees and includes copies of current and historical Corporate Governance Statements and reports.



#### **More information**

For more information, visit: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance.

### **Promotion of effective communication with security holders**

The Board aims to ensure that shareholders and prospective investors are kept informed of all major developments affecting Crown.

Crown's investor relations program is designed to facilitate effective communication between security holders, prospective investors and Crown.

Crown actively engages with security holders and prospective investors through a program of scheduled interactions with institutional investors, sell-side and buy-side analysts and the financial media. In addition meetings are held with security holders and prospective investors on request and responses are provided to enquires made from time to time.

Crown's investor relations program works in tandem with its obligations under its Continuous Disclosure Policy, a copy of which is available on Crown's website.

Crown's head of Investor Relations regularly reports to the Board.

In addition, Crown has a Communications Policy which seeks to promote effective communication with its shareholders. The policy explains how information concerning Crown will be communicated to shareholders. The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Advance notification of results announcements is made via Crown's website.



#### **More information**

A full copy of Crown's Continuous Disclosure Policy and Communication Policy is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Policies.

#### **Disclosure of policies and procedures**

Security holders are encouraged to both attend and participate in all meetings of security holders. The date of Crown's AGM is advertised well in advance on its website and separately communicated to investors via its investment relations channels.

Security holders are informed in the formal Notice of Meeting for the AGM of their opportunity to participate in the meeting by asking questions of either Crown directors or its Auditor.

At the AGM itself, as an introduction to the formal business of the meeting, the Chairman encourages security holders to ask questions on each item of business and offers a further opportunity to ask general questions at the conclusion of the formal business of the meeting.



#### **More information**

Copies of Crown's Notices of Meeting are available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Investors and Media – Annual Reports.

#### **Security holder communications**

Crown security holders have the option to receive communications from Crown and send communications to Crown electronically. Crown's share registry (on behalf of Crown) actively encourages shareholders to receive their shareholder communications electronically and provides online access to shareholder information.

Separately, the Crown website includes a "Contact Us" feature which can be used by both security holders and others to ask questions of the company.

### **Principle 7: Recognise and manage risk**

#### **Policy for oversight and management of material business risks**

Crown has established a formal Risk Management Committee to provide strategic risk management leadership, oversight and analysis to the Crown Board.

The current members of the Risk Management Committee are Geoff Dixon (Chair), Rowen Craigie and Rowena Danziger. A majority of Committee members are independent Directors.

The Chairman of the Risk Management Committee, Mr Geoff Dixon is an independent Director who has extensive experience in risk management having previously held a number of senior executive positions in large corporations.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The Risk Management Committee has adopted a formal Charter that outlines its duties and responsibilities.



#### **More information**

A full copy of each of the Risk Management Committee Charter is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Corporate Governance – Charters.

#### **Design and implementation of risk management and internal control systems**

Crown has established policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy. Risk management is an integral part of the industry in which Crown operates.

Management are charged with monitoring the effectiveness of risk management systems and are required to report to the Board via the Risk Management Committee.

The Board convened Risk Management Committee administers Crown's Risk Management Policy.

The policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported to the Crown Board. A formal Risk Management Plan has been developed using the model outlined in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

The Plan identifies specific Head Office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group.

Management are required to conduct an annual review of the Risk Management Plan to ensure that risk ratings and risk definitions remain appropriate for Crown, and that adequate controls are in place to manage risk.

A review has been conducted during the reporting period and presented to the Risk Management Committee (and the Board). In the course of that review the current Risk Profiles of Crown's major operating businesses were taken into account and the risk environment of its investments also considered.

In addition, the Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

### Disclosure of internal audit functions

Crown's major operating businesses (namely Crown Melbourne and Crown Perth) each had an internal audit function in place for the full year that meets the definition of "internal audit" under the Institute of Internal Auditor's International Professional Practices Framework.

The function is internally led and resourced at each business, with supplemental resourcing provided by specialist third parties if required.

Internal audit delivers a comprehensive audit program to provide additional comfort around significant risks, processes, systems and regulatory requirements where assurance is determined to be a priority for that period.

Internal audit coverage is determined using a structured approach. The Boards of each major operating business and management receive regular reports from internal

audit on the control environment, areas for improvement and progress in addressing those areas for improvement.

To ensure independence of the function, the Internal Audit Manager reports to the Chief Executive Officer (together with the relevant Head of Legal, as an alternate). Further, each Internal Audit Manager periodically meets with members of the operating subsidiary's Board throughout the year.

As a holding company, Crown does not have a separate internal audit function, however its accounts are subject to third party independent audit.

### Disclosure of sustainability risks

The Crown group is exposed to a number of economic, environmental and social sustainability risks.

Crown's goal is to be a leader in the global entertainment and tourism industry by creating long-term value for its stakeholders across economic, social and environmental dimensions. Crown aspires to be a model corporate citizen and recognises that a company is assessed not only on its financial performance, but also by its commitment to corporate social responsibility (CSR), which includes consideration of, among others, the following factors:

- the quality of its workplace;
- its environmental footprint;
- its level of community engagement;
- the creation of a safe environment for its customers, employees and contractors; and
- the provision of employment opportunities.

Crown has established a Corporate Social Responsibility Committee to assist the Board in setting Crown's corporate social responsibility policies and programs and assessing Crown's corporate social responsibility performance. The Corporate Social Responsibility Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Corporate Social Responsibility Committee are Helen Coonan (Chair), Rowen Craigie, John Horvath and Harold Mitchell. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

The responsibilities of the Committee extend to:

- establishing appropriate corporate social responsibility policies and programs for Crown;
- monitoring and reviewing the operation and effectiveness of Crown's corporate social responsibility policies and programs;
- promoting and supporting continuous improvement in Crown's corporate social responsibility performance;
- encouraging and monitoring the establishment and maintenance of relationships with key stakeholders including non-government organisations, sporting and cultural organisations and other community groups; and
- encouraging and promoting awareness of corporate social responsibility related issues at Crown among Crown's staff and other stakeholders.

The Committee oversaw the development and publication of Crown's Corporate Social Responsibility Report. The Corporate Social Responsibility Report brings together the elements of Crown's CSR activities and programs and identifies and addresses all material economic, environmental and social sustainability risks and Crown's processes for managing them.

A copy of the Corporate Social Responsibility Report is publically available and can be found on the Crown website.



#### **More information**

*A full copy of each of the Corporate Social Responsibility Report is available at: [www.crownresorts.com.au](http://www.crownresorts.com.au) under the heading Our Contribution – Corporate Social Responsibility Report.*

## Principle 8: Remunerate fairly and responsibly

### **Nomination and Remuneration Committee**

As noted in response to Recommendation 2.1, Crown has established a formal Nomination and Remuneration Committee. The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

The current members of the Nomination and Remuneration Committee are each independent, Non-Executive Directors. Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report. Information regarding the number of times the Committee met throughout the period and the individual attendances of the members at those meetings has also been provided in the Directors' Statutory Report.

### **Policy for Director remuneration**

A summary of current remuneration arrangements is set out more fully in the Remuneration Report. Crown separately discloses the policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

### **Restrictions on dealing in equity based remuneration**

The rules of the 2014 Crown Long Term Incentive Plan specifically provide that a participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. Security Interests are defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.