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Company	The Star Entertainment Group
Code	SGR
Meeting	AGM
Date	Thursday 22 October 2020
Venue	Online – all virtual
Monitor	Carol Limmer with assistance by Gary Barton

Number attendees at meeting	33 shareholders plus 151 visitors – as provided by the company
Number of holdings represented by ASA	122
Value of proxies	$ 2.4m
Number of shares represented by ASA	681,836
Market capitalisation	$3.44bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Board Chair, John O'Neill, and Chair of Remuneration Committee, Sally Pitkin

Some positives for the future but a first strike on REM

Meeting commenced with thoughtfully worded acknowledgement of country. Also, good 'housekeeping' instructions were provided by the Board Chair.

Duration was one hour with most questions/comments being lodged prior to the meeting.

Slides were shown with the presentations but it was audio ONLY – may have been enhanced by having video. Presentations by Board Chair and CEO & MD were provided prior to the meeting.

Also, just before the meeting it was announced on-line that the grant of Performance Rights under 2017 LTI Grant had lapsed.

The meeting can be heard on SGR's website – http://www.starentertainmentgroup.com.au/annual-general-meetings/.

Highlights from presentations from Chair and CEO/MD were –

- Through the final quarter of FY20, the impact on the business was extraordinary. Prior to that, performance was strong and showing pleasing momentum.

- Even after the COVID-19 impacts descended there were key milestones achieved which should lead to long-term value, including agreed Sydney gaming tax arrangements and casino EGM (electronic gaming machine) exclusivity with NSW Govt, end to the 2nd integrated resort process on Gold Coast with no requirement for additional capital expenditure, completed Queen's Wharf Brisbane project financing on terms agreed pre-COVID-19,significant capex projects remained on time and on budget despite pandemic.
- A rapid and comprehensive response to mitigate COVID-19 impacts, including actions to safeguard staff and customers, securing $200m of additional liquidity and June 2020 covenant waivers and cash being preserved through reduced opex and capex, and an underwritten interim dividend.
- SGR needed to temporarily stand down more than 95% of their 9,000 but around 85% are now back at work.
- Directors' fees were reduced by 50% and Management salaries, including CEO, by up to 40% for 3 months.
- Mentioned the commentary surrounding issue of equity bonuses to limited number of employees when the company was registered for Job keeper to assist with retention of employees. Chair said every dollar from Govt was used for purpose intended and contended that there was no connection between Job keeper and bonuses. Also mentioned that the special FY20 bonuses were made in equity (with new issue shares) ie not cash. He also raised the retention value of the bonuses (deferred in equity for one year) in relation to help prevent poaching of key talent by Crown in Sydney (see below – Remuneration Report had significant vote AGAINST.
- International VIP Rebate Business was and continues to be challenging due to border closures but ongoing diversification into International Premium Mass business was showing growth.
- SGR is working towards the goal of reinstating dividends by improving net debt ratios as required under terms agreed with waiver of covenants at 30 June.

The CEO/MD gave more details of actions taken at time of COVID-19 descending and since then and their main priorities going forward.. He also mentioned their $250m Sovereign area for high-tier loyalty members opened to very supportive reviews. In Qld their multi-billon-dollar projects in Brisbane and Gold Coast continued to edge closer to 2022 opening dates. He stated that despite the financial impacts of COVID-19, there are many achievements to enhance SGR's reputation and continue to support their vision of becoming Australia's leading integrated resort company.

By way of update on FY21 trading for the period 1 July to 15 October 2020 he stated that performance had been pleasing, with group domestic gaming revenue approx. 75% of prior current period (pcp) and group domestic revenue about 75% of pcp, on reduced capacity at all properties. Given operating constraints, the group has managed operating expenses to the more restricted operations. Domestic EBITDA margins were above the prior period despite lower revenues, which has driven strong cashflow generation and enabled good level of debt reduction.

The Board Chair acknowledged and answered questions raised prior to the meeting by ASA representative. this included questions on impacts on time on directors as a result of the

Pandemic, what progress is being made into re-opening and operations generally of hotels, theatres, restaurants, retail shops and food outlets in their various outlets (partially reopened and all acted quickly in an innovative way - for example, the high-end restaurants started to do 'take-aways'. He mentioned that 'Pippin' would be opening shortly at the Lyric in Sydney and the highly successful 'Hamilton' in 2021), the latest on development of 2 towers in Pyrmont (still in conceptual stage), medium/long term predictions in relation to return of overseas 'high rollers' (difficult to estimate timeline), whether Hong Kong based partners have similar commitments on carbon emissions to SGR (one is in line with SGR and the other does have commitment but not as specific as SGR). Other questions from ASA related to the special bonuses paid to select staff – was impact of government support taken into account in measurements for KMP remuneration (No connection) and how do SGR's employees generally perceive payment of STIs to a limited number of staff (have received lots of positive feedback on caring approach taken by SGR on range of aspects). It was a little difficult to further question on these matters as the Board Chair generalised around some points.

There was opportunity during the meeting for questions to be asked by shareholders in relation to each proposed resolution but there was a real lack of questions.

Whether or not one accepts argument that the Government benefits should have been taken into account in relation to determination of special discretionary bonuses and whether there should have been reductions in pay/fees for executive KMP and Directors for a longer period the fact is that many shareholders are upset at least in the short term because of the decline in share price and lack of final dividend. This is reflected in the voting AGAINST the Remuneration Report - 45% (Item 4) and related AGAINST vote on issue of shares to CEO - 48.7% (Item 5). The significantly large AGAINST vote for Remuneration is the first strike for the company since its establishment and will likely entail some action from the Board to avoid a 2nd strike. The Board Chair did express disappointment at this outcome.

The grant of Performance Rights to the CEO under LTI arrangements for the going forward position (Item 6) was passed with a 83.33% FOR vote and all other resolutions were passed with over 90% in FAVOUR.

Whilst not much press coverage was received subsequent to the AGM, their main competitor, Crown, did receive lots of negative press and their licence to operate in Sydney at soon to be opened casino is being questioned by some.