

SkyCity Entertainment Group 2022 Annual Meeting

Julian Cook – Chair’s Address

Introduction

I begin my address today by acknowledging the significant work of my fellow Board members and Management in navigating what has been a particularly challenging year.

As highlighted in our FY22 results release in August, the ongoing impacts of the COVID-19 pandemic significantly impacted SkyCity’s operations in the prior financial year. Increased regulatory scrutiny also continues to impact the casino industry in Australia.

Throughout these challenging times, we have remained focused on keeping our people and guests safe, preserving employment, meeting the expectations of our regulators, and enhancing our governance framework.

A critical focus for the Board and Management is continuing to recognise the importance of protecting our casino licences and enhancing our social licence to operate. The SkyCity Board and Management remain committed to ensuring that we provide safe and responsible experiences and environments for our people and customers.

We have made positive progress over the last financial year in uplifting our anti-money laundering, or “AML”, and host responsibility practices and continue to prioritise our focus in these areas on an ongoing basis. There is a large programme of work underway in Adelaide to uplift these processes, which Michael will touch on later. Where appropriate, we are deploying enhancements across the Group.

We continue to cooperate with the Australian Transaction Reports and Analysis Centre (referred to as AUSTRAC) in relation to its enforcement investigation, which commenced in June 2021, into potential serious non-compliance by SkyCity Adelaide. That engagement has included the provision of information and documents required by AUSTRAC. We are continuing to respond to a significant number of questions and information requests from AUSTRAC, which we are treating very seriously.

As noted in our 2022 annual report, AUSTRAC has not filed proceedings against SkyCity Adelaide to date, or indicated whether any enforcement action will occur. However, given that AUSTRAC’s enforcement investigation remains ongoing, and we have identified certain areas where enhancements to the Adelaide Anti-Money

Laundering and Counter-terrorism Financing Programme are required or appropriate, there is a possibility that AUSTRAC could bring an enforcement action against SkyCity Adelaide. It is important to note that any such action, and any associated penalties, could have a significant financial and reputational impact on SkyCity.

We are also continuing to cooperate with the Honourable Brian Martin KC on behalf of Consumer and Business Services in South Australia in relation to the independent review of SkyCity Adelaide announced in July 2022. That engagement has also included the provision of a significant amount of information and documents requested by Mr Martin. Mr Martin's findings are due to be reported back to the South Australian Liquor and Gambling Commissioner by 1 February 2023.

From 1 July 2022, we adopted a new corporate purpose statement and integrated business strategy, that integrates environmental, social, and governance considerations into our current business strategy.

Our purpose statement is to be trusted to create vibrant places for gaming, entertainment and hospitality in New Zealand and Australia. We continue to focus on achieving this purpose by creating value for our stakeholders, remaining committed to responsibility, and fostering a culture of compliance.

Governance

The SkyCity Board continues to focus on Board renewal and ensuring strong governance across a diverse range of skills, experience, and leadership.

Two new Directors were appointed to the Board in September 2022, Kate Hughes and Glenn Davis, who stand for election today. And in August 2022, we announced the retirement of two Directors – Jennifer Owen and Sue Suckling. Jennifer will retire at the end of the Annual Meeting today after nearly six years as a SkyCity Director. Sue has advised that she intends to retire in early 2023, after 11 years as a SkyCity Director and, accordingly, this will be her last Annual Meeting with the company. I would like to thank Jennifer and Sue for their service and commitment to SkyCity and wish them both the very best in their future endeavours.

During the past financial year, the SkyCity Board commenced a review of its Board committee structure. Following this review, in June 2022, the Board resolved to separate the Board's Audit and Risk Committee into two separate Board committees, an Audit Committee and a Risk and Compliance Committee, and to disestablish the Sustainability Committee and reallocate its roles and responsibilities to the other standing Board committees. This revised committee

structure has been in place since August 2022 and formally recognises SkyCity's specific focus on governance of the Group's risk management function.

The primary objective of the new Risk and Compliance Committee is to assist us in fulfilling our responsibilities relating to AML, host responsibility, group risk, health and safety and other key compliance obligations. We are applying an enhanced level of Board oversight and control in these areas, supporting our ongoing focus on continuous improvement.

The Board has appointed Kate Hughes as Chair of the new Risk and Compliance Committee given her comprehensive experience in this area.

In addition, enhanced governance procedures have been established for the SkyCity Adelaide Board, including the appointment of Glenn Davis as a non-executive Director and Chair to bring an augmented and non-executive governance lens on SkyCity Adelaide's operations. Earlier this month, I also joined the SkyCity Adelaide Board, which now has a significant majority of non-executive and independent Directors.

During the past financial year, we made changes to our senior executive remuneration framework to introduce specific requirements relating to compliance, and introduced "malus" and clawback provisions into incentive plans. Our new balanced scorecard ensures that executive remuneration is aligned with SkyCity's performance in relation to compliance, with 20% of all short-term incentive scorecard goals being specifically related to AML, host responsibility, and health and safety targets. Achieving our compliance goals is critically important to SkyCity's business, and the Board has the ability to modify overall incentive outcomes if goals are not achieved.

Additionally, we are in the process of reviewing our long-term incentive scheme, which will incorporate similar compliance focused objectives.

Concluding remarks

In summary, the last few years have been difficult for SkyCity, from managing the significant impacts on the business of the NZICC fire and Covid-19, to the ongoing regulatory inquiries in Adelaide. However, looking forward, we are confident in the performance of the business. Our core casino and hotel properties are trading very well. COVID-19 restrictions and impacts are now largely gone. Our progress on the New Zealand International Convention Centre and Horizon Hotel is positive and completion in the next few years is now a reality. We are committed to enhancing our AML and host responsibility programmes across the Group, and are working our way through regulatory inquiries.

Over time we expect our investment in Adelaide to deliver, and our online business to grow in strength. We expect this, together with our existing assets, will deliver good earnings growth, strengthening our balance sheet position and enabling sustainable, long-term returns to shareholders.

Personally, I would like to thank our shareholders and bondholders for their ongoing support as we look forward to an exciting future. And a big thank you to our fantastic staff, management and customers who continue to support us.