



THE STAR

ASX Announcement

26 June 2024

APPOINTMENT OF CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR

The Star Entertainment Group Limited (ASX: SGR) (**The Star** or **Company**) is pleased to announce the appointment of Mr Steve McCann as its Group Chief Executive Officer and Managing Director (**Group CEO and MD**).

Mr McCann will join The Star on 8 July 2024, noting that commencement of his duties and responsibilities as Group CEO and MD are subject to receipt of necessary regulatory approvals.

Mr McCann is a highly experienced global executive who has held numerous key leadership roles during his executive career over the past 28 years, including in gaming, leisure and real estate. His most recent role as Chief Executive Officer and Managing Director at Crown Resorts Limited (**Crown**) saw him lead Crown through significant reform of its operations and culture. Prior to that, he spent more than a decade serving as Group Chief Executive Officer of real estate development and investment group, Lendlease Corporation Limited (**Lendlease**). Before joining Lendlease in 2005, Mr McCann worked in senior leadership roles at ABN AMRO and Bankers Trust.

Chairman of The Star, Anne Ward, said: *“Following a comprehensive search process, the Board is very pleased to have secured a CEO of Steve’s calibre, experience and respect in the market. Given his time with Crown, and previous long-standing leadership at Lendlease, he has the right credentials to lead The Star’s remediation program. His track record reflects his capability to work collaboratively with multiple stakeholders and lead meaningful transformational change and cultural renewal. This experience will be invaluable as we work towards rebuilding trust and expediting the sustainable transformation of The Star.*”

Steve McCann said: *“I look forward to joining The Star at this critical time. I recognise that there are many complex issues and challenges for the company to address. I am committed to working with the Board and the various stakeholders to help drive change, restore confidence and achieve a sustainable resolution.”*

Details of the material terms of Mr McCann’s terms of employment and his biography are included as Annexure A to this ASX announcement.

Authorised by:

Board of Directors

FOR FURTHER INFORMATION:

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ANNEXURE A

Steve McCann's Biography

Steve McCann has 28 years executive experience in entertainment, real estate, funds management, investment banking and capital markets. Steve was appointed CEO of Crown Resorts in June 2021 to lead the company through its regulatory challenges and cultural transformation and negotiate its privatisation to Blackstone, which was completed in September 2022. Steve was previously Group CEO and Managing Director of global real estate development and fund management group Lendlease, a role he held for almost 13 years. Prior to his time at Lendlease, Steve had a number of senior investment banking roles, including most recently as Head of Equity Capital Markets for Australia and New Zealand at ABN AMRO. Previously, Steve was a mergers and acquisitions lawyer at Freehills for four years. Steve holds a Bachelor of Economics and a Bachelor of Laws from Monash University.

Summary of material terms of employment agreement

Appointment	Mr McCann is appointed to the role of Group Chief Executive Officer and Managing Director. The appointment is subject to receiving necessary regulatory approvals in New South Wales and Queensland.
Term	The appointment is on an ongoing basis.
Termination	The Company may terminate Mr McCann's employment on 12 months' notice or immediately for certain prescribed events. Mr McCann may terminate his employment on 12 months' notice.
Non-compete	Mr McCann has a 12-month non-compete period.
Fixed Remuneration	\$2,500,000 per year
Sign-on bonus (cash)	<p>\$2,500,000</p> <p>This amount will be paid to Mr McCann upon his commencement in lieu of his participation in the FY25 Long Term Incentive Plan.</p> <p>The Board has determined that setting performance hurdles under the Long-Term Incentive (LTI) Plan for a four-year period will be extremely challenging given the level of current uncertainty the Company faces. As such, Mr McCann will not be invited to participate in the Company's LTI Plan until FY27.</p>
Sign-on performance rights	<p>In addition to his cash sign-on bonus, subject to shareholder approval and receiving and maintaining all regulatory and probity approvals, The Star will grant Mr McCann an amount equivalent to 200% of his fixed remuneration (\$5,000,000) in performance rights (Sign-On Performance Rights) as a once-off grant.</p> <p>The Sign-on Performance Rights will vest three years after commencement (8 July 2027) subject to Mr McCann not resigning or being terminated by the Company for cause within the three-year period.</p> <p>The Sign-On Performance Rights will also vest if there is a Trigger Event (see below), or a "Fundamental Change" occurs pursuant to a transaction that results in a substantial diminution to Mr McCann's role.</p> <p>If vested, each Sign-on Performance Right is an entitlement to a fully paid ordinary share in The Star (or cash equivalent).</p> <p>If approval of The Star shareholders is not obtained for the grant of the Sign-on Performance Rights, The Star will pay the cash equivalent of the rights at the vesting date. Where shareholder approval has not been obtained and a</p>

	<p>Trigger Event or Fundamental Change occurs, or Mr McCann’s employment is terminated without cause before the vesting date, The Star will pay the cash equivalent as calculated at that time, with an initial payment within statutory limits under Part 2D.2 of the Corporations Act at the time of the Trigger Event or Fundamental Change or termination of employment and the balance on the original vesting date had there been no Trigger Event or Fundamental Change or had Mr McCann remained in employment with The Star.</p> <p>In the event of an equity issue or other similar event which dilutes the value of the Sign-on Performance Rights, the number of rights will be increased to compensate for the dilution of value of these rights, to be determined at the time of the event.</p>
Short Term Incentive (FY25 & FY26)	<p>\$2,500,000 per year (at maximum)</p> <p>Payment is subject to Mr McCann not having resigned or being terminated for cause by the Company on or prior to the payment date. All Company policies applicable to incentive plans, including the Consequence Management Framework, will apply.</p>
Retention Payment (FY26) (in lieu of LTI)	<p>\$2,500,000 (at maximum)</p> <p>Payment is subject to Mr McCann not having resigned or being terminated for cause by the Company on or prior to the payment date. All Company policies applicable to incentive plans, including the Consequence Management Framework, will apply.</p>
Short Term Incentive (FY27 and beyond)	<p>From FY27, Mr McCann’s Short Term Incentive Plan Opportunity will revert to 100% of his fixed remuneration at target, with a maximum opportunity of 150% of target. Performance hurdles applicable to the plan will align to those applicable to the rest of the Executive KMP, as determined by the Board at the beginning of the performance period. This information will be disclosed in the FY27 Remuneration Report.</p>
Long Term Incentive (FY27 and beyond)	<p>From FY27, Mr McCann’s Long Term Incentive Plan Opportunity will revert to a maximum opportunity of 100% of his fixed remuneration. Performance hurdles applicable to the plan will align to those offered to the rest of the Executive KMP, as determined by the Board and the beginning of the performance period. This information will be disclosed in the FY27 Remuneration Report.</p>
Trigger Event	<p>If a Trigger Event occurs in the first 2 years of Mr McCann’s employment he will be entitled to receive payment of any unpaid remuneration entitlement due during the first two years of employment including any remaining fixed remuneration due for the period and any incentives or retention bonus amounts due during this period. Where his employment continues beyond the Trigger Event, this payment will be reduced by any fixed remuneration payments he receives from the Company up to the end of the first 2 years of his employment. A “Trigger Event” will occur where there is a change in control of the Company, the Company being placed in administration or receivership or any decision by the relevant regulatory authority to cancel any casino or gaming licence, or failure of Queensland authorities to make The Star Queen’s Wharf Brisbane licence free of conditions such that QWB can commence gaming prior to 31 December 2024 (or such other date as may be agreed), so long as that decision or failure is not attributable to any acts or omissions of Mr McCann.</p>
Other benefits	<p>Access to car parking and accommodation at The Star, Sydney.</p>