



28 October 2021

**LAPSING OF EXECUTIVE PERFORMANCE RIGHTS**

The Star Entertainment Group Limited (the **Company**) advises that pursuant to the Company's Long Term Incentive Plan (the **Plan**), the performance rights previously granted to various executives for the financial year ended 30 June 2018 (**FY18 Grant**) have lapsed due to the non-achievement of the performance hurdles on testing.

The performance rights that have lapsed include 627,706 performance rights granted to the Managing Director and Chief Executive Officer following shareholder approval at the Company's Annual General Meeting on 26 October 2017.

**Performance hurdles – testing outcomes**

The FY18 Grant comprised three performance hurdles, namely, earnings per share (**EPS**), relative total shareholder return (**TSR**) and return on invested capital (**ROIC**).

The EPS hurdle, weighted at 33.3% of the total award, measures the growth in statutory earnings per ordinary share adjusted for the theoretical win rate in the VIP Rebate business. The target hurdle of 43.8 cents per share was set by the Board by reference to the Company's Board approved five-year business plan (adjusted to conform to current normalisation methodology). The threshold hurdle of 35.9 cents per share was set by the Board by reference to market consensus at the time. For FY21, the EPS performance was 6.4 cents per share and was below the threshold and target approved by the Board. Accordingly, none of the EPS component of the FY18 Grant vested.

The Company's TSR outcome, weighted at 33.3% of the total award, for the four year period ended 2 October 2021 was -7.252%. This was ranked 52<sup>nd</sup> among the defined peer group and was at the 21.54<sup>th</sup> percentile. Accordingly, none of the TSR component of the FY18 Grant vested.

The ROIC performance measure, weighted at 33.4% of the total award, was first introduced in 2018 for the FY18 LTI award. ROIC measures the earnings generated from the capital investments made by the Company, adjusted for the theoretical win rate in the VIP Rebate Business. The target hurdle of 11.5% was set by the Board by reference to the Company's Board approved five-year business plan. The threshold hurdle of 9.5% was set by the Board by reference to the Company's ROIC levels at the time. For FY21, the ROIC performance was 1.3% and was below the threshold and target approved by the Board. Accordingly, none of the ROIC component of the FY18 Grant vested.

**Authorised by:**

The Board of Directors

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