

CROWN MELBOURNE LIMITED

MINUTES OF THE MEETING OF DIRECTORS HELD M1 – LEVEL 1, CROWN CONFERENCE CENTRE, CROWN PROMENADE WEDNESDAY, 13 DECEMBER 2017 12:00PM

IN ATTENDANCE:

Board: Mr John Alexander (Chairman)
Professor John Horvath
Mr Ken Barton
Mr Barry Felstead

Mr Joshua Preston (Secretary)

By invitation: Mr Alan McGregor
Mr Xavier Walsh

Apologies: Mrs Rowena Danziger
Ms Mary Manos (Co-Secretary)
Mr Todd Nisbet

Minutes of meeting held on 22 February 2017: The Minutes of the Board meeting held on 3 August 2017 were approved.

Financial Results: Mr Felstead noted the Financial Results which were taken as read.

F18-F21 Financial Plan (incorporating F18 Budget) Mr Felstead spoke to the November 2017 Year To Date results and noted the following:

- Year to date the results were 5.6% up on budget.
- Gaming machines and tables are currently up on budget, even although hold is down on budget.
- Food and beverage is currently down on budget after a soft start to the year however it is up on last year.
- Hotels similarly is down on budget but up on last year.
- VIP is up on budget performing strongly year to date.

Mr Felstead noted that overall the business is performing well year to date.

Current Issues: Mr Felstead spoke to the Current Issues paper which was taken as read.

Mr Felstead noted the following issues:

- The drinks trolleys initiative for Black and Platinum members on the main gaming floor had been received positively by patrons.
- The hotel offerings to Gold Tier members had been well

- received.
- The Lightning Link jackpot continued to perform well.
 - Plans were underway to launch Dragon Link in February 2018.
 - The Asian marketing strategy continued to be positive with strong engagement and visitation resulting.
 - The outbound call centre initiative would continue to be used with an additional 4 positions being recruited to assist during the busy festive season.
 - The Christmas 3D artwork, Art Vo, had been very popular with visitors to Crown and had strong traction and exposure on social media. The business will look to using this initiative for future events and celebrations.
 - There were currently 216 employees in the Crown Indigenous Employment Program across Melbourne and Perth with 116 employees in Melbourne and 100 employees in Perth.
 - There were currently 207 employees and contractors in the CROWNAbility Program across Melbourne and Perth with 103 employees and 13 contractors in Perth and 82 employees and 9 contractors in Melbourne.
 - The Crown International College student applications were at 112 with 8 having been confirmed and commenced study. The total student fees as at \$1.1m. It was noted that enrollments were not as strong as originally foreshadowed.
 - The increased security measures taken during the festive season were noted.

Mr Preston spoke to the following matters:

- Shonica Guy v Crown decision has been reserved with a decision not expected until the New Year.
- The increased focus by AUSTRAC on industry. The Board noted the need to maintain vigilance in this area and requested a presentation on the AML framework at the next Board meeting. Mr Preston noted that the new position of Group General Manager AML had been received positively by AUSTRAC and would assist in strengthening the existing framework moving forward.
- VCGLR and AUSTRAC investigations were being carried out as a result of the Wilkie Allegations.
- The s25 Review was continuing with wide ranging and detailed requests for information being made by the VCGLR s25 Project Team.

Development Update: The Development Update was taken as read.

Audit and Compliance Committee Updates: a. **Audit Committee**

The draft minutes of the Audit Committee held on 15 November 2017 were noted with no questions or matters raised.

b. Compliance Committee

The draft minutes of the Compliance Committee held on 15 November 2017 were noted with no questions or matters raised.

Responsible Gaming:

a. Responsible Gaming Committee

The draft minutes of the Responsible Gaming Committee held on 16 November 2017 were noted with no questions or matters raised.

Other Business:

Annual Review and Approval of Financial Statements

Mr Barton and Mr McGregor spoke to Agenda Item 7.1 "Crown Melbourne Limited – Payment of Dividends".

Annual Review

It was noted that Crown Melbourne Limited's ("the Company") annual review date is 25 October. The Company is required under Section 347 of the Corporations Act 2001 (Cth) to pass a solvency resolution within 2 months after the Review Date, of the Company.

Having regard to the financial situation of the Company and the financial support from its shareholder/s, it was **RESOLVED** that, in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Annual General Meeting

It was noted that shareholder/s of the Company would not require an annual general meeting for the financial year ended 30 June 2017.

Annual Accounts

In respect of the Company's financial statements for the year ended 30 June 2017, it was **RESOLVED** that:

- The Statement of Profit and Loss, the Statement of Comprehensive Income and the Statement of Financial Position be and are hereby approved; and
- The Directors' Declaration be signed by a Director on behalf of the Board.

Incidental Matters

It was **RESOLVED** that the Company Secretary of the Company be authorised to do anything required in connection with the foregoing resolutions, including lodging any notices required to be lodged with ASIC.

Closure: The meeting closed at 12:30pm.



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Chairman