

**CROWN MELBOURNE LIMITED**

**MINUTES OF THE MEETING OF DIRECTORS**  
**HELD GARDEN ROOM 1, LEVEL 1, CROWN TOWERS**  
**WEDNESDAY, 21 FEBRUARY 2018**  
**12:00PM**

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**IN ATTENDANCE:**

**Board:** Mr John Alexander (Chairman)  
 Professor John Horvath  
 Mrs Rowena Danziger  
 Mr Barry Felstead  
 Mr Ken Barton

Mr Joshua Preston (Co-Secretary)

**By invitation:** Mr Alan McGregor  
 Mr Xavier Walsh

**Apologies:** Ms Mary Manos (Co-Secretary)  
 Mr Todd Nisbet

**Minutes of meeting held on 13 December 2017:** The Minutes of the Board meeting held on 22 February 2017 were approved subject to amending the reference on page 2 from "Lightening Link" to "Lightning Link".

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

Mr Felstead spoke to the January 2018 Year To Date results and noted that the main issue currently confronting performance was poor hold in both table games and machines. Mr Felstead advised that if hold was in line with theoretical, Crown Melbourne would be above budget. Mr Felstead also noted the following:

- International VIP was performing very well against budget and last year.
- Hotels were in line with budget and up on last year.
- F18-F21 Financial Plan which incorporated the F18 Budget.
- Support costs remain well up on budget due to the increase in energy, rates and taxes for the year.
- Overall the results are positive to date.

**Current Issues:** Mr Felstead noted the Current Issues paper which was taken as read.

Mr Walsh spoke to the positive effect Lightning Link was having on performance and was proving to be a popular machine with patrons.

It was noted that there had been no degradation in the performance of Lightning Link since the introduction of Dragon Link onto the gaming floor and accordingly the number of Dragon Link units on the floor would be increased.

It was noted that other manufacturers are also looking to develop a product to compete with Lightning Link and Dragon Link. The business is keeping a watching brief on any progress in this regard.

Although hold had been poor in table games year to date, Mr Walsh advised that it was starting to normalise and was hopeful that it would continue to improve over the rest of the financial year.

Mr Felstead also specifically referenced the following:

- The Shonika Guy matter which was a positive outcome for the business. Management is reviewing the detail of Her Honour's decision to determine what learnings can be taken from the findings.
- The Counter Terrorism and Risk Management Plan was well advanced and will continue to be reviewed and progressed.
- The Blanking Buttons matter was still being progressed.
- The s25 Review process was continuing.

**Development Update:** The Development Update was taken as read.

Mr Felstead spoke to the proposed Studio 3 redevelopment which, subject to various approvals and agreement of final terms with a lessee, would be transformed into a karaoke club. Mr Felstead emphasised the importance on strong RSA measures and focus that would be required to be in place in the club.

**Audit and Compliance Committee Updates:** The Audit and Compliance Committee meeting minutes were taken as read.

Mr Preston advised the Board that the form and presentation of the papers was continued to be worked on with a revised format to be presented to the Board in due course.

Mr Preston also referenced that the AML/CTF Update was discussed at length at the Compliance Committee. The Update took the Committee through Crown's AML/CTF framework and the obligations it had.

**Responsible Gaming:** The Responsible Gaming papers were taken as read.

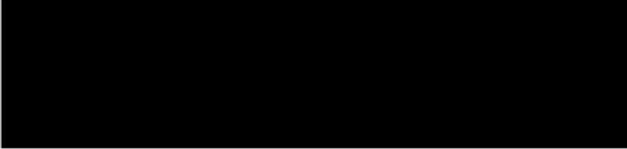
**Other Business:** **Crown College Institute off Higher Education (CCIHE)**

The Board and management referenced the progress of the CCIHE noting that:

- The Terms of Reference and Governance and Strategic Council continued to be worked on.
- The Council would comprise 4 external members and 3 internal members.

- It would be ideal if Ms Rowena Danziger was appointed to chair the Governance and Strategic Council due to her high level and powerful experience in the education sector.

**Closure:** The meeting closed at 12:30pm.



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Chairman