

**CROWN MELBOURNE LIMITED**  
**MINUTES OF THE MEETING OF DIRECTORS**  
**HELD AT**  
**GARDEN ROOM 1, LEVEL 1**  
**CROWN TOWERS**  
**WEDNESDAY, 16 AUGUST 2016**  
**1:35PM**

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**IN ATTENDANCE:**

**Board:**

Mr John Alexander  
Mr Ken Barton  
Mr Rowen Craigie  
Mrs Rowena Danziger (by phone)  
Mr Barry Felstead  
Professor John Horvath

Ms Debra Tegoni (Secretary)  
Mr Michael Neilson (Co-Secretary)

**By invitation:**

Mr Michael Johnston  
Mr Alan McGregor  
Mr Xavier Walsh

**Apologies:**

Mr Kevan Gosper (Deputy Chairman)

**Chairman**

Mr Neilson confirmed that Chairman, Mr James Packer, had resigned as a Director of Crown Melbourne Limited as previously foreshadowed to the Board and that all relevant stakeholders and Government bodies had been advised. He confirmed that there was no proposal to appoint a replacement Director.

The Board **RESOLVED** to accept Mr Packer's resignation, thanking him for his tenure, noting that Mr Packer would be welcomed back to the Board if he desired.

Mr Neilson confirmed that under Crown Melbourne's Constitution, the Board was required to elect a new Chairman and that Crown Resorts nominated Mr Alexander as Chairman. Mr Neilson confirmed that Mr Gosper had been consulted and was supportive of Mr Alexander being appointed Chairman.

It was **RESOLVED** (with Mr Alexander abstaining) that Mr Alexander

be appointed Chairman effective immediately.

Mr Alexander thanked the Board.

**Minutes of meeting  
held on 25 May 2016:**

The minutes of the Board meeting held on 25 May 2016 were approved.

**Financial Results YTD:**

As this meeting immediately followed the Crown Resorts Limited Board meeting; the attendees at which were attendees present for this meeting and the agenda matters were therein addressed in their entirety, it was **RESOLVED** that the matters and presentations provided at the Crown Resorts Limited Board meeting would be accepted as having been provided at this meeting with only highlights provided and questions being taken at this meeting.

Mr Barry Felstead provided highlights from the following:

- Results July 2016
- Executive Review
- Capital Report
- Balance Sheet
- Cash Flow
- Margin Improvement Projects

Mr Alexander requested an update on the Electronic Gaming Machines Business performance for FY16.

Mr Walsh provided an update highlighting the fact that competitor venues now have loyalty programs and will soon also have TITO, both of which were not available to them previously.

Mr Walsh spoke to the initiatives planned to improve key performance metrics including the focus on more personalized service for VIP Black and Platinum loyalty customers in the form of:

- appointed hosts;
- utilising loyalty membership promotions aligned to some current competitor venue promotions; and
- re-introduction of complimentary drink service on the main casino gaming floor.

The Board **RESOLVED** that the F16 Full Year Financials Results be approved as recommended to it by the Company's Audit Committee.

**Current Issues:**

Mr Felstead provided an update on Current Issues highlighting the ongoing negotiations with United Voice on the Enterprise Agreement which expired on 30 June 2016.

The Current Issues were noted with no further questions or matters raised.

**Development Update:** The Development Update was noted with no questions or matters raised.

**Audit and Compliance Committee Updates:** **a. Audit Committee**  
The draft minutes of the Audit Committee meeting held on 8 August were noted with no questions or matters raised.

It was **RESOLVED** that the Internal Audit Plan be accepted.

**b. Compliance Committee**  
The draft minutes of the Compliance Committee meeting held on 8 August were noted with no questions or matters raised.

The Compliance and Audit Updates and draft minutes of the meetings were noted.

**Responsible Gaming:** **Responsible Gaming Committee**  
The draft minutes of the Responsible Gaming Committee meeting held on 8 August were noted with no questions or matters raised.

The Updates and draft minutes of the Responsible Gaming Committee were noted.

**Other Business:**

**Crown Melbourne Limited – Payment of Dividend** It was noted that the Company wishes to pay a dividend to its sole shareholder Crown Entertainment Group Holdings Pty Ltd in the amount of \$388 million.

On the basis that as at the proposed date of payment:

- the proposed dividend will be paid out of the Company's profits;
- the profits from which the proposed dividend is to be paid have not been appropriated for any other purpose, including against accumulated prior year losses (if any) of the Company;
- the proposed dividend will not be debited against an amount standing to the credit of the Company's share capital account;
- the Company's assets will exceed its liabilities and the excess will be sufficient for the payment of the proposed dividend;
- the proposed dividend payment is considered by the Company to be fair and reasonable to the Company's sole

shareholder; and

- the proposed dividend payment will not materially prejudice the Company's ability to pay its creditors,

it was **RESOLVED** that a dividend of \$388 million be declared and paid to the Company's sole shareholder Crown Entertainment Group Holdings Pty Ltd out of the profits of the Company, to be credited on the date of this resolution.

**Power of Attorney –  
Dispute with IHG**

The Board Paper was taken as read.

It was **RESOLVED** that the draft Power of Attorney be approved and any two directors or a director and a secretary be authorized to execute the Power of Attorney on behalf of the Company.

**Closure:**

The meeting closed at 2:00pm.



Chairman