

**CROWN MELBOURNE LIMITED**  
**MINUTES OF THE MEETING OF DIRECTORS**  
**HELD VIA TELECONFERENCE**  
**THURSDAY, 15 DECEMBER 2016**  
**5:30PM**

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**IN ATTENDANCE:****Board:**

Mr John Alexander (Chairman)  
 Mr Kevan Gosper (Deputy Chairman)  
 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 Alan McGregor  
 Mr Xavier Walsh

**Apologies:****Minutes of meeting held on 16 August 2016:**

The minutes of the Board meeting held on 16 August 2016 were approved.

**Financial Results YTD:**

Mr Felstead presented and spoke to the Financial Results YTD and provided highlights from the following:

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

He spoke to the 'softness' in Gaming Machines and Hotel Villa results noting that business performance continues to be impacted by the significant downturn in VIP International business post China detentions. Mr Felstead further noted the general 'softness' in the NSW, QLD and SA gaming machine competitor business despite the implementation of Loyalty assisting in their results.

Mr Walsh spoke to the new initiative between Gaming Machines and Marketing departments whereby a robust review of 92 venues across Victoria occurred, focusing analysis on all product offerings (including food and beverage) including pricing, to inform Crown's direct marketing and offers in an attempt to address the performance of the Gaming Machines business.

The new Crown Rewards Loyalty Program was discussed, noting that

<b>Responsible Gaming:</b>	<p><b>Responsible Gaming Committee</b></p> <p>The draft minutes of the Responsible Gaming Committee meeting held on 17 November were noted with no questions or matters raised.</p>
<b>Other Business:</b>	<p>Mr Barton spoke to the following financing matters.</p>
<b>Annual Review and Deed of Cross Guarantee and Financial Accounts (VCGLR Section 25)</b>	<p><b>Solvency declaration:</b></p> <p>It was noted that under Section 347 of the Corporations Act the Directors of the Company must 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 <b>RESOLVED</b> 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.</p> <p><b>Annual Accounts</b></p> <p>In respect of the Company's financial statements for the year ended 30 June 2016, it was <b>RESOLVED THAT:</b></p> <ul style="list-style-type: none"> <li>• the Statement of Profit or Loss, the Statement of Comprehensive Income and the Statement of Financial Position be and are approved; and</li> <li>• the Directors' Declaration be signed by a director on behalf of the Board, for submission to the VCGLR.</li> </ul> <p><b>Deed of Cross Guarantee</b></p> <p>The Directors have assessed the advantages and disadvantages associated with the Company remaining a party to the Deed of Cross Guarantee between Crown Resorts Limited (formerly Crown Limited) and the Company dated 3 June 2008 and taking advantage of the relief afforded by the Class Order 98/1418 and <b>RESOLVED</b> that the Company should continue to remain a party to the Deed of Cross Guarantee.</p> <p><b>Annual general meeting</b></p> <p>It was noted that shareholder/s of the Company would not require an annual general meeting for the financial year ended 30 June 2016.</p> <p><b>Incidental matters</b></p> <p>It was <b>RESOLVED</b> 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.</p>
<b>Financing Approval: Crown Sydney Guarantees</b>	<p>The Chairman tabled a draft of the documents described in item 1 of the Schedule ("<b>Facility Agreements</b>") together with a draft of a Power of Attorney ("<b>Power of Attorney</b>") to be given by Crown Sydney Property Pty Ltd (ACN 166 326 861) ("<b>Crown Sydney</b>") and Crown Resorts Limited (ABN 39 125 709 953) ("<b>Crown Resorts</b>") in favour of the persons listed in it (each an "<b>Attorney</b>") authorising them severally, among other things, to execute any document or</p>

The directors present carefully considered the Facility Agreements and confirmed that the representations and warranties given by the Company in the CTDP were true and not misleading (by omission or otherwise) as at the date of the meeting.

It was **RESOLVED** that the Company execute and enter into any other document or agreement that either two directors or a director and secretary of the Company, considers necessary or desirable in connection with each Facility Agreement or any transaction contemplated by it or the Facilities.

It was **RESOLVED** that (i) performance by the Company of its obligations under each Facility Agreement and the Guarantee be approved and (ii) any director or company secretary of the Company be authorised to inform Crown Sydney or Crown Resorts that the Company agrees to the guaranteeing of the borrowings under the Facilities.

#### **Audited Financial Statements**

Mr McGregor noted that the draft audited financial statements approved by the Board Audit Committee required approval by the Board for submission to the VCGLR.

It was **RESOLVED** that the Company's draft audited financial statements be approved for the purposes of lodgment with the VCGLR as required for these purposes.

#### **Cyber Security**

The Chairman requested that Mr Gosper work with management and report back to the Board on the current handling of cyber security and the establishment of safeguards to cyber hacking.

**Closure:** The meeting closed at 6:00pm



Chairman