

CROWN MELBOURNE LIMITED
Minutes of the Meeting of Directors
Held At
Garden Room 1, Level 1, Crown Towers
Wednesday 25th May, 2016
3.00pm

IN ATTENDANCE:

Board: Mr Kevan Gosper (Deputy Chairman)
Mr John Alexander (by telephone)
Mr Ken Barton
Mr Rowen Craigie
Mrs Rowena Danziger
Mr Barry Felstead
Professor John Horvath
Mr Michael Neilson (Secretary)
Ms Debra Tegoni (Secretary)

By invitation: Mr Alan McGregor

Apologies: Mr James Packer (Chairman)

BUSINESS:

Minutes of meeting held on 24 February 2016: The minutes of the Board meeting held on 24 February 2016 were approved.

Matters Arising: Deputy Chairman Mr Kevan Gosper advised that he had received a full briefing on all matters from Ms Debra Tegoni prior to this meeting.

Mr Rowen Craigie advised that Chairman, Mr James Packer intends to resign as Director of Crown Melbourne Limited but that relevant documentation was not completed prior to this meeting. Mr Craigie noted that Mr Packer remains passionate about the company and its business and will continue to have a very active role in the Crown Group and, as a major shareholder, it remains open to him rejoining the Board in the future.

Mr Craigie further advised that after Mr Packer's resignation had been received and it would be proposed that Mr John Alexander be appointed as Chairman and Mr Gosper remain

Deputy Chairman. Mr Craigie noted that no public announcement was required regarding this but that the VCGLR will be advised.

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

There were no questions or matters raised.

The Financial Results YTD May were noted.

F17 – F20 Financial Plan (incorporating F17 Budget) Mr Felstead provided some highlights from the Plan and Budget as follows:

- The risks and challenges of the ongoing volatility and uncertainty in international VIP Gaming market driven by events in China and Macau together with the risk of reduction of VIP Gaming exempt smoking areas.
- Macro level potential risk for deterioration in the Victorian economy given its relatively high exposure to the manufacturing sector.
- The ongoing government, regulatory and community focus on harm minimisation despite dropping participation and prevalence rates. Mr Felstead reinforced the company's strong and ongoing commitment to both RSG and RSA initiatives, resources and programs and noted Professor Horvath's request in the Crown Resorts Limited meeting to have a presentation on RSA policies and procedures which was

noted for management action.

- The CAPEX Projects underway.

There were no further questions or matters raised.

It was **RESOLVED** to adopt the F17 – F20 Financial Plan incorporating the F17 Budget.

Current Issues:

Mr Felstead highlighted the current negotiation of both the Crown Melbourne and Crown Perth Enterprise Agreements, each noted for expiring on 1 June and 1 September 2016 respectively.

Mr Felstead noted that historically each of the Crown Melbourne and Crown Perth agreements had been negotiated separately and there was little risk of overflow or impact of issues across the agreements.

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:

Board Audit and Compliance Committee Chairman, Mr Gosper, noted that there was no meeting of these Committees in this intervening period and that he had received an update on all Audit and Compliance matters prior to the meeting from Ms Tegoni. Mr Gosper highlighted the following matters:

Audit Committee

- No serious issues for reporting but highlighted some gaming equipment integrity process matters needing improvement and that the company was implementing a better tracking system for that equipment given its importance.
- No changes in risk ratings being relevant for noting.

Compliance Committee

REDACTED - PRIVILEGE



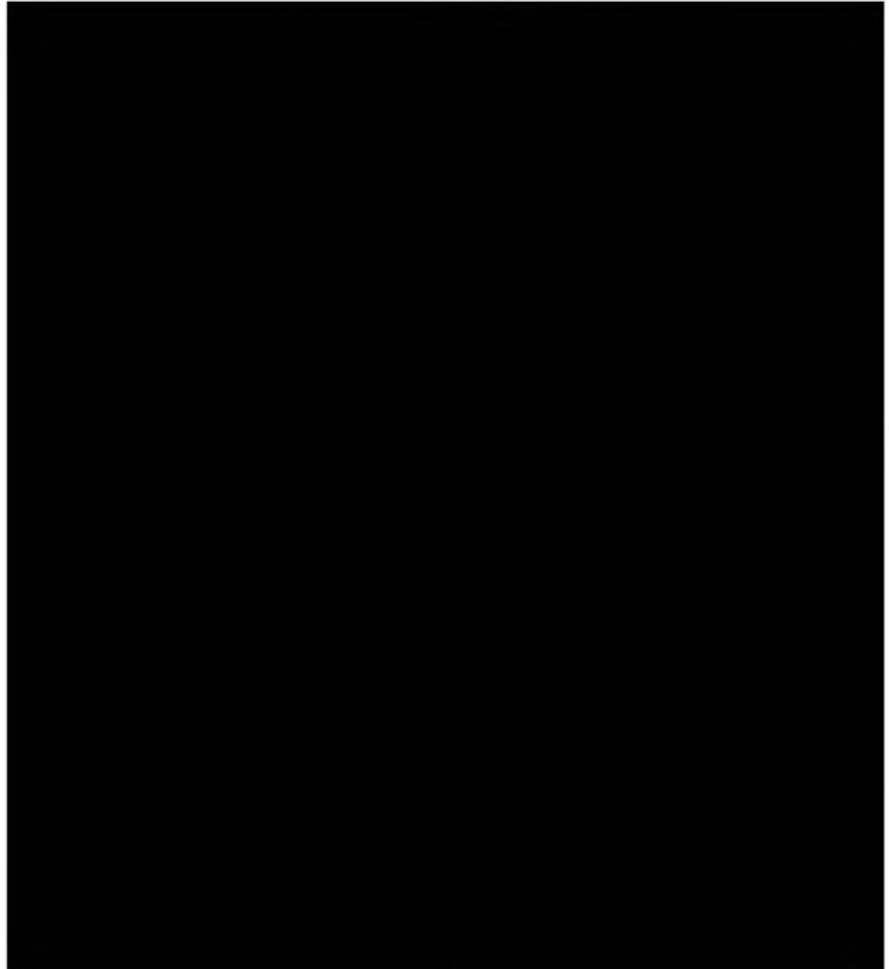
- A case management conference in the K&L Gates matters is to be held on 27 June 2016.

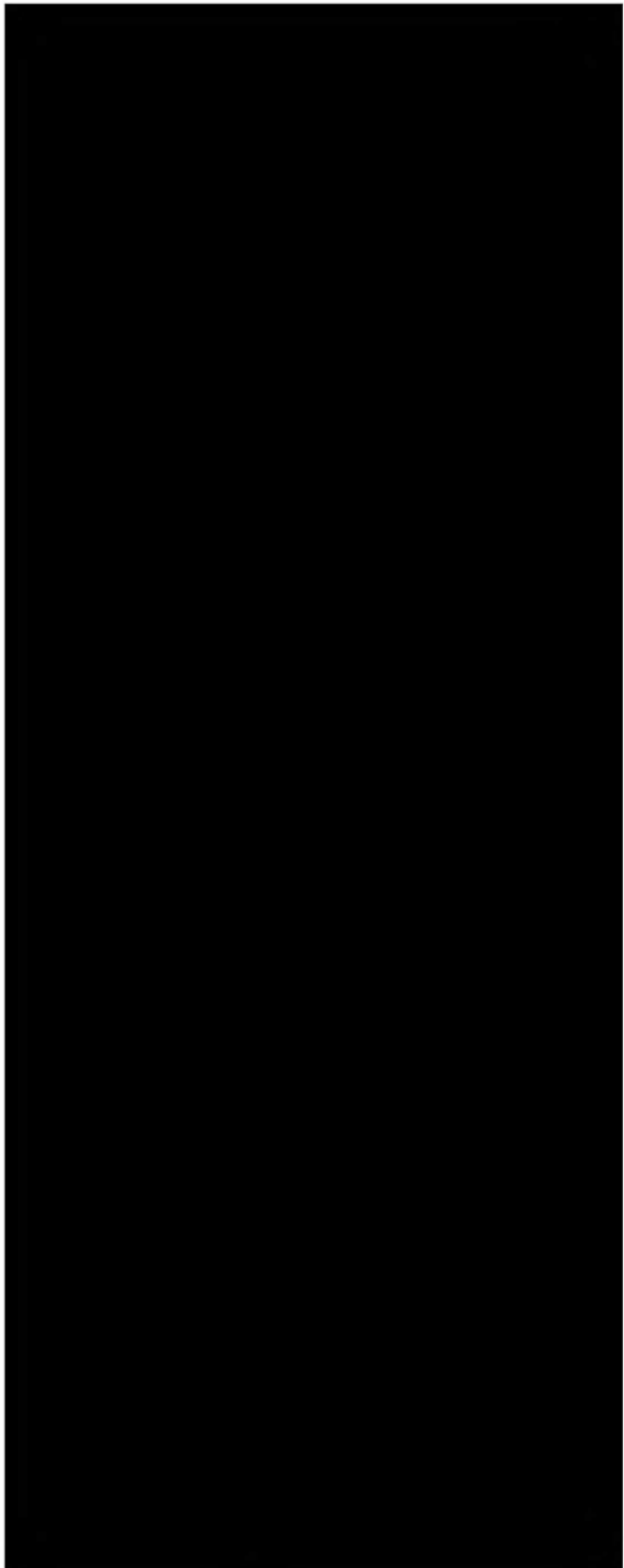
Ms Tegoni reported on a potentially serious Security matter whereby a high risk patron had experienced a medical event when he was restrained after assaulting four security officers during a Security interaction. Ms Tegoni reported that as part of the company's continuous improvement processes in relation to Security interaction with patrons generally, the company continues to conduct weekly reviews of all assisted removals and this instance allowed further follow up actions; reinforcement and refresher of Security officer training. The patron appears to have recovered from his medical incident and within a few hours after it, he attended to self-exclude for reasons he stated were related to alcohol rather than gaming.

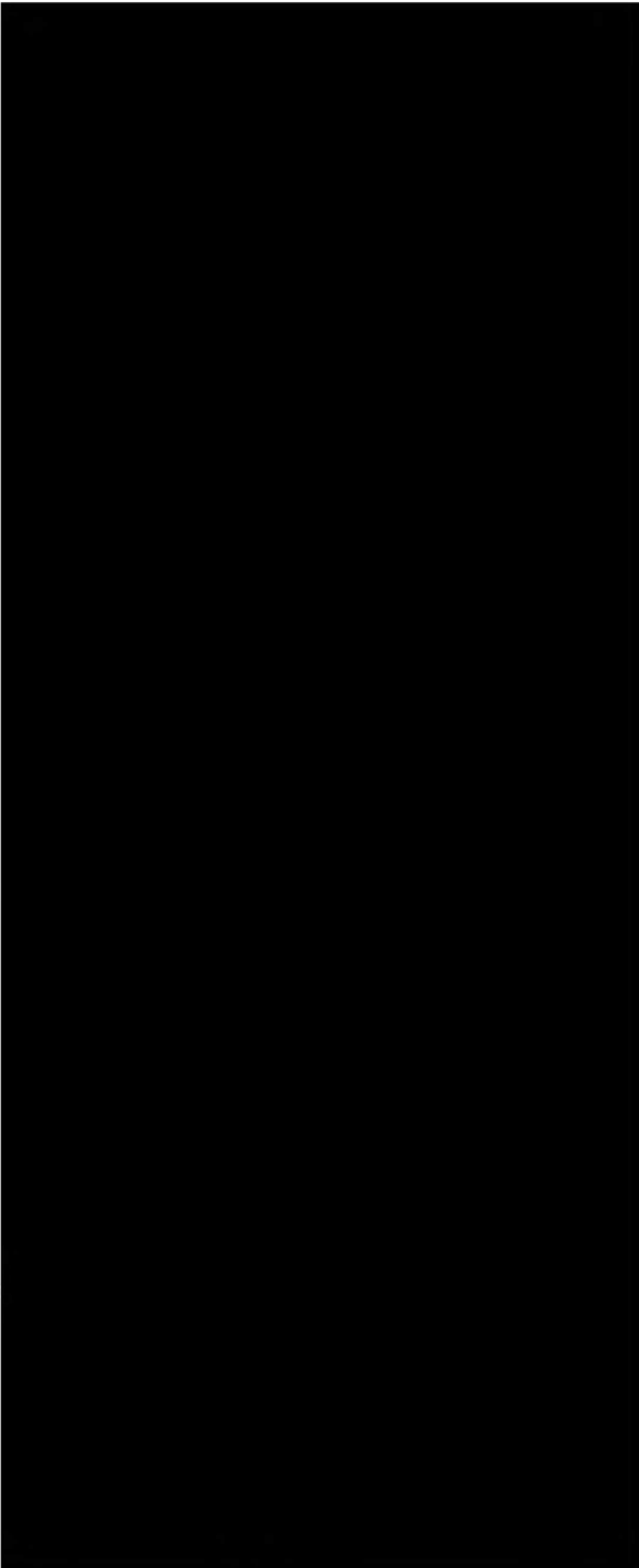
Responsible Gaming:

The minutes of the meeting held on 12 April 2016 were noted with no questions or matters raised.

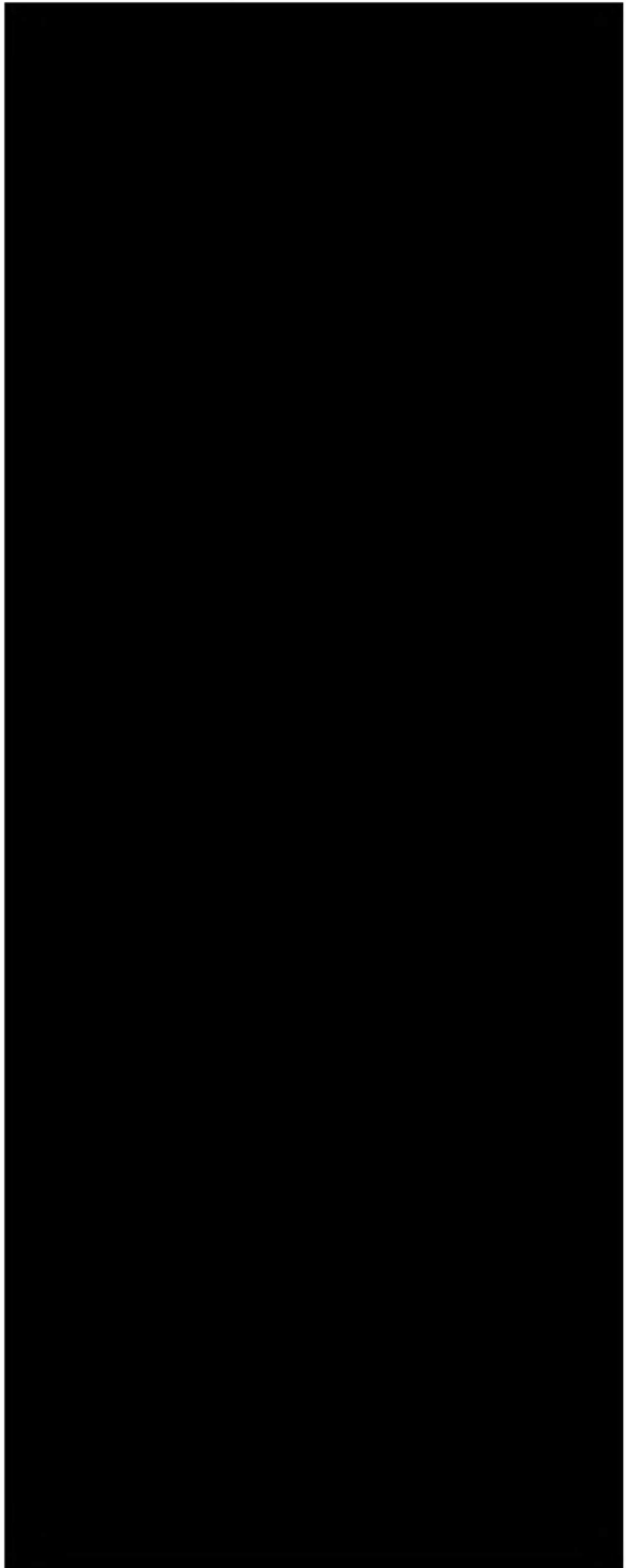
Other Business:

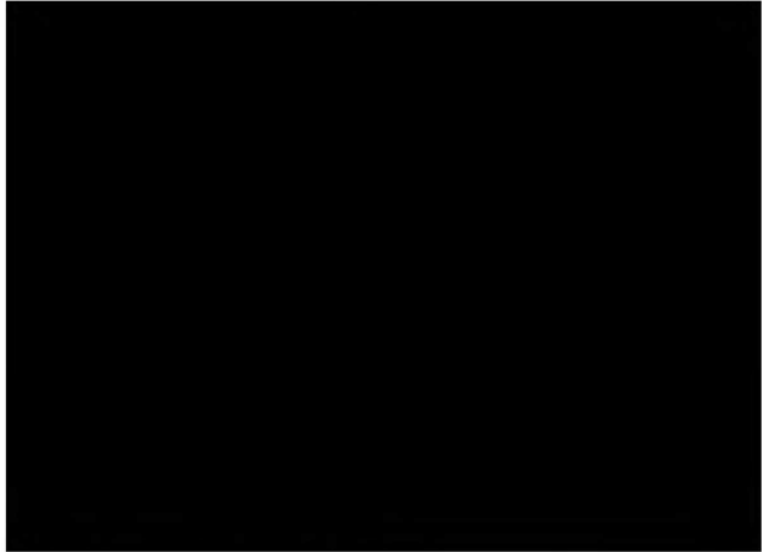






**MOF
Variation
Agreement:**





Resolutions: It was **RESOLVED** that:

- (a) the establishment of the Facility;
- (b) the Guarantee; and
- (c) any extension and/or variation of the MOF,

each be approved.

It was **RESOLVED** that the Company execute and enter into:

- (a) the SFA in the form produced to the meeting or in any other form approved by either two directors or a director and secretary of the Company, or by an Attorney;
- (b) the MOF Variation Agreement in the form produced to the meeting or in any other form approved by either two directors or a director and secretary of the Company, or by an Attorney; and
- (c) any other document or agreement that either two directors or a director and secretary of the Company, or an

Attorney considers necessary or desirable in connection with the SFA and the MOF Variation Agreement or any transaction contemplated by them or the Guarantee.

It was **RESOLVED** that performance by the Company of its obligations under:

- (a) the SFA;
- (b) the Guarantee; and
- (c) the MOF Variation Agreement,

each be approved.

It was **RESOLVED** that the Power of Attorney be executed by the Company in any manner contemplated by section 127 of the Corporations Act 2001 (Cth).

It was **RESOLVED** that an Attorney is authorised, on behalf of the Company, to execute and deliver (or enter in any other way into):

- (a) the SFA;
- (b) the MOF Variation Agreement; and
- (c) any other document or agreement that either two directors or a director and secretary of the Company or an Attorney considers necessary or desirable in connection with the SFA and the MOF Variation Agreement or any transaction contemplated by them,

and to do anything else that an Attorney is authorised to do under the Power of Attorney.

It was **RESOLVED** that each of the following persons be appointed to act as an "Officer"

(howsoever defined in the SFA and the MOF Variation Agreement) of the Company in terms of, and for the purposes of, the SFA, the MOF Variation Agreement and the Guarantee:

- (a) Rowen Craigie, Chief Executive Officer, Crown Resorts Limited;
- (b) Ken Barton, Chief Financial Officer, Crown Resorts Limited; and
- (c) Michael Neilson, General Counsel and Company Secretary, Crown Resorts Limited.

Closure:

The meeting closed at 3:45pm.

