

COMMERCIAL IN CONFIDENCE

Melbourne Casino Project

Ninth Variation Agreement To The Casino Agreement

Victorian Commission for Gambling Regulation

and

Crown Limited
ACN 006 973 262

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**MELBOURNE CASINO PROJECT
NINTH VARIATION AGREEMENT TO THE CASINO AGREEMENT**

THIS AGREEMENT is made on 8th JULY 2005

BETWEEN

VICTORIAN COMMISSION FOR GAMBLING REGULATION
a statutory authority established under the *Gambling Regulation Act 2003* (Vic)
with its office at Level 5, 35 Spring Street, Melbourne, Victoria
("Commission")

AND

CROWN LIMITED ACN 006 973 262
of 8 Whiteman Street, Southbank, Victoria
("Company")

RECITALS

- A. The Victorian Casino Control Authority ("VCCA") and the Company entered into an agreement dated 21 September 1993 providing, among other things, for the grant of the Casino Licence to the Company ("Casino Agreement").
- B. The Casino Agreement has been varied by the Master Security Agreement dated 30 July 1997 and by variation agreements dated 19 November 1993, 31 March 1994, 25 May 1994, 7 March 1995(2), 8 May 1997, 2 July 1998 and 27 May 1999.
- C. The parties have agreed to vary certain provisions of the Casino Agreement in the manner set out in this document.
- D. The Minister has given approval to the Commission entering into this variation agreement under section 142 of the Casino Control Act and in accordance with Clause 4 of the Casino Agreement.

THE PARTIES AGREE

1. DEFINITIONS

Unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act or the Casino Agreement have the same meaning when used in this document.

2. VARIATION OF THE CASINO AGREEMENT

The parties agree that the Casino Agreement is varied with effect from the date of this document in the following manner:

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2.1 As from 1 July 2004, all references in the Casino Agreement to "Authority" shall be read and construed as a reference to the "Commission".

2.2 Insert the following definitions in Clause 2 in their appropriate alphabetical order:

"**Audit Committee**" means the audit committee of the Company;

"**Audit Committee Charter**" means the charter approved by the board of the Company and which sets out the composition, functions and responsibilities of the Audit Committee;

"**Commission**" means the Victorian Commission for Gambling Regulation;

"**Compliance Committee**" means the compliance committee of the Company;

"**Compliance Committee Charter**" means the charter approved by the board of the Company and which sets out the composition, functions and responsibilities of the Compliance Committee;

"**Gambling Regulation Act**" means the *Gambling Regulation Act 2003* (Victoria) as amended from time to time;

"**Ninth Variation Date**" means the date of the Ninth Variation Agreement between the Commission and the Company varying the terms of this document;

"**Senior Executive Manager**" includes:

- (a) The Company's chief executive officer howsoever described;
- (b) The Company's chief financial officer howsoever described;
- (c) The Company's chief operating officer howsoever described;
- (d) Any director of the Company who is an executive officer of the Company; and
- (e) The Company's heads of the following areas:
 - (i) Gaming;
 - (ii) Surveillance;
 - (iii) International and Domestic VIP business; and

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(iv) Compliance;"

2.3 Insert the following as Clauses 22.1(a), (b) and (ba):

"(a) the Commission and the Company will observe the spirit of the terms of this Agreement as well as the strict letter of the commitments contained in this Agreement. Accordingly the Company and Commission agree that the provisions contained in this Agreement should be given a broad meaning having regard to their intended effect and any conditions set out in the Agreement and that the Company and the Commission will fulfil their warranties and undertake the obligations imposed on them under this Agreement in good faith with a view to ensuring that the intended effect of these provisions is achieved.

(b) the Company must ensure that at least 75% of the meetings of the Company's board of directors are to be held in Melbourne each calendar year;

(ba) the Company must ensure that at least 75% of the meetings of the Company's Senior Executive Managers are to be held in Melbourne each calendar year;"

2.4 Insert the following as Clauses 22.1(bb) and (bc):

"(bb) the Company must ensure that its Senior Executive Managers reside in Victoria;

(bc) the Company must ensure that at least one Company Secretary resides in Victoria;" .

2.5 Insert the following as Clauses 22.1(t) and (u):

"(t) the Company must notify the Commission of any change to the composition of the Audit Committee and any amendment made to the Audit Committee Charter within one (1) month from the date the change comes into effect;

(u) the Company must notify the Commission of any change to the composition of the Compliance Committee and any amendment made to the Compliance Committee Charter within one (1) month from the date the change comes into effect;"

2.6 Delete the following Clauses:

2.7.1 Clause 22.1(p);

2.7.2 Clause 22.1(q);

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2.7.3 Clause 22.4; and

2.7.4 Clause 48.2(e).

2.7 Insert the following as Clause 22.1(ra):

"(ra) the Company:

- (i) must ensure that the Holding Company Group locates the headquarters of its gaming business in Melbourne;
- (ii) will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia; and
- (iii) will ensure that the Holding Company Group maintains the Melbourne Casino as the flagship casino of the Holding Company Group's gaming business in Australia,

provided however that the obligations of the Company under this Clause 22.1(ra) may be terminated by the Company by giving at least one (1) month's notice in writing to the Commission whereupon the obligations of the Company under this Clause 22.1(ra) shall cease:

- (iv) on the fifth (5th) anniversary of the Ninth Variation Date; or
- (v) if no such election is made prior to one (1) month prior to the fifth (5th) anniversary date of the Ninth Variation Date then, on the expiration of any four (4) year period thereafter.

(For the avoidance of doubt, the Company may elect to terminate its obligations under this Clause 22.1(ra) effective on the following anniversaries of the Ninth Variation Date:

5th anniversary, 9th anniversary, 13th anniversary, 17th anniversary, etc.)"

2.8 Insert the following as Clause 22.1(v):

"(v) During the five year period commencing on the Ninth Variation Date the Company must spend a minimum of:

- (i) \$25 million per annum; and
- (ii) \$170,000,000 in total,

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on a combination of maintenance, upgrades, refurbishments and new works with respect to the interior and exterior of the Melbourne Casino Complex as well as plant, equipment, fittings, fixtures and systems, which amounts will not include any costs to be borne by the Company in the construction or procurement of the alternative project as required by clause 5 of Schedule 8 of the *Casino (Management Agreement) Act 1993*;

2.9 Not used

2.10 2.10.1 Insert the following as Clause 25.6:

“25.6 In addition to any information required to be submitted to the Commission by the Company by any other Clause of this document, the Company must submit to the Commission the information set out in Schedule Five at times set out in Schedule Five.”

2.10.2 Delete the existing Schedule Five and insert the following as Schedule Five:

“Schedule Five

Information Required to be Submitted to the Commission

	Information to be Submitted	Time for Submission of Information
1.	A copy of the agenda for each meeting of the Audit Committee and the Compliance Committee, together with the minutes of each meeting. A copy of the papers prepared for or considered by the Company’s Audit Committee and the Company’s Compliance Committee	Within 30 days after the minutes are confirmed. Within 30 days after receiving a written request from the Commission
2.	A copy of the Company’s internal audit program as approved by the Company’s Board.	Each year, as soon as available.
3.	An annual report on the Company’s internal audit program, as presented to the Company’s Audit Committee.	Each year, as soon as available.
4.	An annual closing report on the Company’s external audit program, as presented to the Company’s Audit Committee.	Each year, as soon as available.
5.	Information on the purpose and details of the terms of any investment or advance of more than 10% of the Company’s Total Assets to an existing or new related body corporate of the Company.	Prior to making the investment or advance.

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	Information to be Submitted	Time for Submission of Information
6.	Separate quarterly and annual financial statements for each controlled entity of the Company in which either the Company or another Company controlled entity has an investment of 10% or more of the Company's Total Assets.	To be submitted at the same times and in the same format as the reports submitted in relation to the Company under Clause 25 of this document.
7.	Detailed financial statements including all reports and information required by the <i>Corporations Act</i> 2001 (Cth) (or any later amending or substitute act).	Annually, within the time prescribed by the <i>Corporations Act</i> (or any later amending or superseding act).
8.	The Company's forthcoming financial year annual budget.	Within 30 days after its approval by the Company's board.
9.	The Company's annual audited accounts.	Within three months after the Company's financial year end.
10.	A report on the Company's annual capital expenditure program, showing separately expenditure on maintenance, upgrades, refurbishment and new works.	Annually, at the same time as submission of detailed annual financial statements (see item 7, above)."

- 2.11 Delete the existing Clause 28 and insert in its place the following as clauses 28.1 to 28.4:

"CASINO OPERATING PRACTICES

28 The Company must conduct its operations in the Melbourne Casino in a manner that has regard to the best operating practices in casinos of a similar size and nature to the Melbourne Casino."

- 2.12 Delete the existing Clause 27.1(n) and insert in its place the following:

"(n) any other game approved by the Commission for use by the Company."

- 2.13 Delete the existing Clauses 29.2 and 29.3 and insert in their place the following:

"29.2 Except with the prior approval in writing of the Commission, the Company must not dispose of:

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- (a) this document;
- (b) any document varying or amending this document after such variation or amendment takes effect;
- (c) the Casino Licence; or
- (d) any document varying or amending the Casino Licence after such variation or amendment takes effect,

and, any of the documents referred to above may be disclosed to any person by either party.”

2.16 Delete the existing Clauses 39.1(b)(i) and (ii) and insert in their place the following:

“(i) in the case of the Commission:

Chairman
Victorian Commission for Gambling Regulation
Level 5
35 Spring Street
MELBOURNE VIC 3000

Facsimile: (03) 9651 4999

(ii) in the case of the Company:

Chief Executive Officer
Crown Limited
8 Whiteman Street
SOUTHBANK VIC 3006

Facsimile: (03) 9292 7257”

2.17 Delete the existing Clause 47.1(g) and insert in its place the following:

“(g) Unless defined in this document, the Casino Control Act or the Management Agreement, terms defined in the Corporations Act have the meanings given to them in the Corporations Act, or substitute legislation, as amended from time to time.”

3. CONFIRMATION OF OTHER TERMS

The parties acknowledge and confirm that except as expressly varied by this document, the terms and conditions of the Casino Agreement remain in full force and effect.

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4. GENERAL PROVISIONS

Clauses 40 to 47 (inclusive) of the Casino Agreement (as amended from time to time) apply to this document as if expressly included in this document.

EXECUTED by the parties as a deed.

THE OFFICIAL SEAL of VICTORIAN COMMISSION FOR GAMBLING REGULATION is hereto affixed in accordance with the directions of the Commission in the presence of:

[Signature]
.....

Commissioner

IAN MATWELA JUNN
.....

Full name

[Signature]
.....

Commissioner

000035

PETER BERNARD COHEN
.....

Full name

THE COMMON SEAL of CROWN LIMITED ACN 006 973 262 was affixed in the presence of authorised persons:

Rowan Craigie
.....

Director

ROWAN BRUCE CRAIGIE
.....

Full name

8 WHITEMAN ST, SOUTH BANK
.....

Usual address

[Signature]
.....

Secretary

ROBERT FREDERICK EDWARD TURNER
.....

Full name

8 Whiteman St, Southbank
.....

Usual address

