Dated 2005

THE HONOURABLE JOHN PANDAZOLOULOS MP

-and-

(ACN 006 973 262)

MELBOURNE CASINO PROJECT

EIGHTH DEED OF VARIATION TO THE MANAGEMENT AGREEMENT

EIGHTH DEED OF VARIATION TO THE MANAGEMENT AGREEMENT

MELBOURNE CASINO PROJECT

DEED dated (to be inserted) 2005

BETWEEN THE HONOURABLE JOHN PANDAZOPOULOS MP, the Minister of the Crown for the time being administering the Casino Control Act acting for and on behalf of the State of Victoria ('State')

AND

CROWN LIMITED ACN 006 973 262 with its registered office at 8 Whiteman Street, Southbank, Victoria ('Company')

RECITALS

- A. The State and the Company entered into an agreement dated 20 September 1993 ratified by and scheduled to the Casino (Management Agreement) Act 1993 ('Management Agreement').
- B. The Management Agreement has been varied by:
- (a) a deed of variation dated 14 November 1994 ratified by and scheduled to the Casino (Management Agreement) (Amendment) Act 1994 and inserted as Schedule 2 to the Casino (Management Agreement) Act 1993;
- (b) a deed of variation dated 12 October 1995 ratified by and scheduled to the Casino (Management Agreement) (Further Amendment) Act 1995 and inserted as Schedule 3 to the Casino (Management Agreement) Act 1993;
- a deed of variation dated 3 June 1996 ratified by the Gaming Acts (Amendment) Act 1996 and inserted as Schedule 4 to the Casino (Management Agreement) Act 1993;
- (d) a deed of variation dated 7 November 1996 ratified by the Casino (Management Agreement)
 Amendment Act 1996 and inserted as Schedule 5 to the Casino (Management Agreement) Act 1993;
- (e) a deed of variation dated 1 October 1998 ratified by the Gaming Acts (Further Amendment) Act 1998 and inserted as Schedule 6 to the Casino (Management Agreement) Act 1993;
- (f) a deed of variation dated 3 April 2000 ratified by the National Taxation Reform (Further Consequential Provisions) Act 2000 and inserted as Schedule 7 to the Casino (Management Agreement) Act 1993;
- (g) a deed of variation dated 7 may 2002 ratified by the Casino (Management Agreement) (Amendment) Act 2002 and inserted as Schedule 8 to the Casino (Management Agreement) Act 1993.

C. The parties have agreed to further vary the Management Agreement as provided in this Deed of Variation.

AGREEMENT

1. Definitions

Unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act 1991 or the Management Agreement have the same meaning when used in this Deed.

2. Ratification and operation of provisions

- 2.1 A Minister of the State must introduce and sponsor a Bill in the Parliament of Victoria to ratify this Deed as soon as reasonably practicable after its execution.
- 2.2 This Deed shall come into operation once the Bill referred to in clause 2.1 has come into operation as an Act.

3. Variation of Management Agreement

The State and the Company agree to vary the Management Agreement so that:-

- (a) clause 41.2(e) shall be deleted;
- (b) clause 2 shall be varied by:
 - (i) inserting the following definitions:
 - "Deed of Undertaking and Guarantee" means the Deed of Undertaking and Guarantee as defined in the Casino Agreement;
 - "Supplemental Casino Agreement" means the Supplemental Casino Agreement as defined in the Casino Agreement; and
 - (ii) amending the definition of "Transaction Document" by substituting the words ", the Supplemental Operations Agreement, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement" for the words "and the Supplemental Operations Agreement"; and
- (c) clause 5.1(a)(i) shall be varied by substituting the words ", the Bank Guarantees, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement" for the words "and the Bank Guarantees".

4. Force Majeure Event

None of the negotiation, preparation and execution of this Deed, its ratification under clause 2 or any of the circumstances relating to or giving rise to the creation of this Deed has or will cause or create any Government Action, Force Majeure Event or breach of obligation under any Transaction Document and the Company and the State so acknowledge.

5. Confirmation of other terms

The parties acknowledge and confirm that except as varied by this Deed the terms and conditions of the Management Agreement remain in full force and effect.

6. Entire Agreement

This Deed is the entire agreement between the parties concerning the subject matter and replaces all previous representations, communications and agreements on the subject matter.

7. General provisions

Clauses 33 and 35 to 40 (inclusive) of the Management Agreement apply to this Deed as if expressly included in this Deed.

EXECUTED AS A DEED.

by

THE HONOURABLE	
JOHN PANDAZOPOULOS MP)
Minister for Gaming for and on behalf)
of the State of Victoria in the presence of:)
Name of witness	4.0
THE COMMON SEAL of)
CROWN LIMITED is affixed in)
accordance with its articles of)
association in the presence of:)
Name Secretary	
Name	
Director	

MELBOURNE CASINO PROJECT

CASINO AGREEMENT

AGREEMENT dated 21 September 1993

BETWEEN VICTORIAN CASINO AND GAMING AUTHORITY (formerly

known as VICTORIAN CASINO CONTROL AUTHORITY) a statutory authority established under the Casino Control Act_with its

office at 459 Collins Street, Melbourne ('Authority')

AND CROWN LIMITED ACN 006 973 262 (formerly known as

CROWN CASINO LTD) with its registered office at Hudson Conway

House, 311 Glenferrie Road, Malvern, Victoria ('Company')

RECITALS

- The Authority has power to grant a casino licence under the provisions of the Casino Control Act.
- B. The Company has made application for a casino licence and pursuant to such application has provided information and submissions, including the Melbourne Casino Complex Development Proposals and the Temporary Casino Complex Development Proposals, to the Authority.
- C. The Authority has, in accordance with sections 9 and 10 of the Casino Control Act, carried out investigations and enquiries in relation to the Company and other persons required to be investigated.
- D. Subject to the terms and conditions of this document and the Management Agreement, the Authority has agreed to grant the Casino Licence to the Company.
- E. The Casino Licence will enable the Company to operate a casino from temporary premises.
- F. The Minister, acting for and on behalf of the State, and the Company have entered into the Management Agreement pursuant to section 15 of the Casino Control Act as a condition precedent to the grant of the Casino Licence to the Company.
- G. The Minister has given approval to the Authority pursuant to sections 14 and 142 of the Casino Control Act to provide an undertaking to the Company as to exclusivity, to enter into this document and to act for and on behalf of the State in respect of certain matters referred to in this document.

AGREEMENT

1. DIVISION INTO PARTS

This document is divided into Parts as follows:

PART 1 - PRELIMINARY

PART 2 - DEVELOPMENT AND COMPLETION

PART 3 - COMPLETION

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

PART 5 - GRANT OF THE CASINO LICENCE

PART 6 - ENCUMBRANCES AND ASSIGNMENTS

PART 7 - TERMINATION

PART 8 - COMPLEMENTARY AGREEMENTS

PART 9 - GENERAL

PART 1 - PRELIMINARY

2. DEFINITIONS

In this document, unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Agent' means National Australia Bank Limited ACN 004 044 937 and any successor to it as agent under the Facility Agreement;

'Agreement Act' means the bill referred to in clause 3.2(a) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Development Proposals to be constructed on or located within the Temporary Casino Site or the Site, including an hotel, restaurant, retail, recreation, entertainment and car parking facilities, residential and office accommodation, staff facilities, staff car parking, coach storage facilities and open space areas;

'Assets and Rights' means all the present and future undertaking, property, assets and rights of or held by the Company;

'Associate' has the same meaning as in sections 10 to 17 of the Corporations Law;

'ASX' means Australian Stock Exchange Limited;

'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.

'Australian Accounting Standards' means:

- accounting standards as defined in (or having effect under the Corporations
 Law as if they were accounting standards defined in) section 9 of the
 Corporations Law;
- the requirements of the Corporations Law in relation to the preparation and content of accounts; and
- generally accepted accounting principles and practices in Australia consistently applied, except those principles and practices inconsistent with (a) or (b);

'Authorisation' includes a consent, approval, licence, permit, franchise, permission, filing, registration, resolution, direction, declaration and exemption;

'Authority' means the Victorian Casino and Gaming Authority;

'Bank Guarantees' means the guarantees or letters of credit to be provided by the Company pursuant to clauses 18.1 and 22.9 of the Management Agreement;

'Business Day' means a day (other than a Saturday or Sunday) on which banks (as defined in the *Banking Act 1959* (Commonwealth)) are generally open for business in Melbourne;

'Casino Asset' means an asset or undertaking of the Company which forms part of the Secured Property and which consists of:

- (a) the Casino Licence;
- (b) the Melbourne Casino;
- (c) the Temporary Casino;
- (d) all gaming equipment used in the Melbourne Casino or the Temporary Casino;
- (e) all revenue derived from the Melbourne Casino or the Temporary Casino (other than revenues which have been deposited or are standing to the credit of the Debt Protection Account or the Debt Service Reserve Account (each as defined in the Facility Agreement) in accordance with the Facility Agreement and any Authorised Investments (as defined in the Facility Agreement) from either of those accounts (or the proceeds of any such Authorised Investment); or
- all other assets of the Company necessary for the operation of the Melbourne Casino or the Temporary Casino;

and a reference to the 'Casino Assets' includes any part of them;

'Casino Control Act' means the Casino Control Act 1991 (Victoria);

'Casino Licence' means a casino licence as defined in the Casino Control Act in relation to the Temporary Casino and the Melbourne Casino in the form of the licence set out in Schedule One:

'Casino Supervision and Control Charge' means:

- (a) for the period from the Licensing Date until 30 June 1994, \$5,000,000; and
- (b) for each Financial Year from 1 July 1994 until 30 June 1997, \$5,000,000;

'Company' means Crown Limited ACN 006 973 262, which will be the casino operator for the purposes of the Casino Control Act;

'Commission' means the Victorian Commission for Gambling Regulation;

Commissioning means the checking, testing and acceptance of the operational readiness of and the procedures for the various components of the Melbourne Casino or

the Temporary Casino as the case may be (including all staff, facilities and equipment) by the Authority;

'Complementary Agreements' means each of the agreements listed in Schedule Two;

'Completion' means the completion of the construction, the Fit-Out and the Commissioning of the Temporary Casino or the Melbourne Casino, as the case may be, as specified in the Completion Standards and as determined pursuant to clause 20, and 'Complete' and 'Completed' have corresponding meanings;

'Completion Standards' means:

- for construction, when all the requirements under this document and the Casino Control Act in relation to the Melbourne Casino or the Temporary Casino have been complied with;
- (b) for Commissioning, when all the procedures for the various components of the Melbourne Casino or the Temporary Casino (including all staff, facilities and equipment) are in place or immediately and reliably available to the Company such that the Melbourne Casino or the Temporary Casino, as the case may be, can be operated securely and so that there is no risk to the integrity of operation or compromise in the amenity of the Melbourne Casino or the Temporary Casino, as the case may be, which is not acceptable to the Authority; and
- (c) for Fit-Out, when all of the Fit-Out is installed in place and operational with the exception only of minor omissions and maintenance items which, in the reasonable opinion of the Authority, do not affect the security, integrity, operation or amenity of the Melbourne Casino or the Temporary Casino;

'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.

'Construction Agreement' means the proposed building agreement between the Company and a proposed builder substantially in the form of the draft agreement a copy of which has been signed on behalf of the Authority and the Company and dated the date of this document for the purposes of identification;

[Note: The builder is Grocon Pty Ltd ACN 006 772 238]

'Contractor's Deed' has the same meaning as in the Supplemental Development Agreement;

'Control Acts' means the Building Control Act 1981 and the Planning and Environment Act;

'CUB' means Carlton and United Breweries Limited ACN 004 056 106;

'Deal with' means deal with property in any way other than enter into an arm's length agreement to sell dependent for effect on the Authority's consent, including, but not limited to, offer for sale, grant an option in respect of, create or Dispose of a right in

respect of, render or permit to be subject to an Encumbrance, convert, deposit, compromise and allow a counterclaim or right of set-off to arise in respect of;

- Deed of Undertaking and Guarantee' means the agreement under which, amongst other things, the Holding Company and other related companies guarantee to the Authority and the State, the due and punctual performance of certain obligations owed by members of the Group to the Authority and the State;
- 'Design and Construction Programme' means the programme for the design documentation, construction, Fit-Out, Commissioning and Completion of the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) set out in Schedule One of the Management Agreement, as amended from time to time with the prior written approval of the State;
- 'Development Agreement' means the agreement dated 30 August 1993 between the Company and Hudson Conway Management Limited ACN 006 742 294 providing for the procuring of the construction of the Melbourne Casino Complex;
- 'Dispose of means sell, transfer, assign, alienate, surrender, dispose of, deposit, Lease, part with possession of and enter into any agreement or arrangement to do or allow any of these things;
- 'Director of Casino Surveillance' means the person appointed under section 94 of the Casino Control Act;
- 'Documentation' means any document or proposal which the Company is required to submit to the Authority under clauses 6, 7, and 8;
- 'Drawings' means the plans, designs and working drawings relating to the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) provided by the Company to the Authority and described in Schedule Two of the Management Agreement;
- 'Encumbrance' means a mortgage, charge, pledge, lien, assignment, hypothecation, retention of title (other than a retention of title in respect of trading stock), or any other right (including, without limitation, under a trust, agency, hire purchase, sale and repurchase, sale and leaseback or flawed asset arrangement) of a creditor to have its claims satisfied prior to other creditors with, or from the proceeds of or by recourse to any asset and includes any agreement, arrangement or document conferring such a right or having substantially the same economic effect;
- 'Equity Funding Agreement (Federal)' means the agreement dated 30 August 1993 between Danwick Pty Limited ACN 059 321 667, The Federal Hotels Limited ACN 004 108 249 and Hudson Conway Limited ACN 009 556 629;
- 'Facility Agreement' means the \$300,000,000 multi-option facility agreement dated 30 August 1993 between the Company, the Financiers and the Agent;
- 'Finance Documents' means the Facility Agreement and the Financiers' Securities;
- 'Financial Year' means from 1 July to 30 June (inclusive);

Inserted by Agreement dated 2 June 1999.

'Financiers' means National Australia Bank Limited, Australia and New Zealand Banking Group Limited, HongkongBank of Australia Limited, Bank of Western Australia Limited [formerly known as R & I Bank of Western Australia Limited] and State Bank of New South Wales Limited and their successors, assigns and substitutes;

[Note: HongkongBank withdrew I March 1995]

- 'Financiers' Securities' means the following securities given to the Agent as agent for the Financiers:
- a first registered fixed and floating charge over the undertaking and all the assets of the Company including a mortgage over the Casino Licence;
- (b) a mortgage of the Site Lease and a mortgage of the Temporary Casino Leases;
- each other security given to the Agent or the Financiers as security for the liabilities of the Company under the Facility Agreement;
- 'Fit-Out' means the application of finishing material, gaming equipment, furniture, fittings, furnishings and such other built-in and loose items required to bring any part of the Temporary Casino or the Melbourne Casino (as the case may be) to Completion to a stage to enable Commissioning to take place;
- 'Fixed and Floating Charge' means the second registered fixed and floating charge given by the Company in favour of the Minister on behalf of the State;
- 'Force Majeure Event' has the same meaning ascribed to that term in the Management Agreement;
- 'Founding Shareholders Agreement' means the agreement dated 30 August 1993 between each Sponsor, CUB and the Company providing for the subscription for Shares by the Sponsors and Carlton & United Breweries Limited;
- 'Further Amendment Act' means the bill referred to in clause 3.2(b) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;
- 'Gambling Regulation Act' means the Gambling Regulation Act 2003 (Victoria) as amended from time to time;
- 'Gross Gaming Revenue' means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by the Company from the conduct or playing of games within the Temporary Casino or the Melbourne Casino (as the case may be) less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games;
- ² 'Group' means the Company and its Subsidiaries and any other entity which the directors of the Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Company under the Corporations Law;

Inserted by Agreement dated 2 July 1998.

'Guarantee and Indemnity for Development Agreement' means the guarantee and indemnity dated 30 August 1993 by Hudson Conway Limited ACN 009 556 629 to the Company;

³ Holding Company' means the Company's ultimate holding company, within the meaning of that expression as defined in section 9 of the *Corporations Law*, but read as though the reference in paragraph (b) to 'no body corporate' were a reference to 'no body corporate incorporated in Australia';

4. Holding Company Group' means:

- (a) the Holding Company;
- the Holding Company's Subsidiaries (including without limitation, the Company and its Subsidiaries); and
- (c) any other entity which the directors of the Holding Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Holding Company under the Corporations Law;

'Lease' means an agreement or arrangement under which property is or may be used, occupied, retained, operated or managed by a person for consideration (of whatever form) including, but not limited to, a lease, licence, charter, hire purchase or hiring arrangement;

5 ...

'Licensing Date' means the date which is 2 Business Days after the conditions precedent in clause 5.1 are satisfied; [19 November 1993]

'Licensing Payment Amounts' means the amounts payable under clause 26.1(b);

'Management Agreement' means the agreement between the Minister acting for and on behalf of the State, and the Company entered into pursuant to section 15 of the Casino Control Act;⁶

'Master Security Agreement' means the agreement of even date between the State, the Authority, the Company, the Agent and the Sponsors relating, among other things, to the priority of the Encumbrances given by the Company;

'Melbourne Casino' means those areas identified in the Drawings for the Melbourne Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

Inserted by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 June 1999.

Definition of 'Liabilities' deleted by Agreement dated 2 July 1998.

Varied by Agreements dated 14 November 1994 and 12 October 1995.

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of this document and the Management Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Minister' means the Minister for the time being administering the Casino Control Act;

'Mortgagee' means any person with any Encumbrance (whether as mortgagee, chargee or otherwise) affecting or in relation to the Assets and Rights of the Company;

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

7'Note Agreement' means the deed dated 24 December 1993 between the Company, Permanent Trustee Australia Ltd and National Australia Bank Limited;

8'Note Agreement (Series 2)' means the deed dated 15 August 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;

'Operations Agreement' means the agreement dated 30 August 1993 between the Company and Crown Management Pty Ltd ACN 059 301 610 providing for the conduct of the operations of the Temporary Casino and the Melbourne Casino;

'Permitted Encumbrance' means an encumbrance of the kind permitted under clause 29.1;

'Planning Amendments' means the planning scheme amendments referred to in clause 9 of the Management Agreement;

'Planning and Environment Act' means the Planning and Environment Act 1987 (Victoria);

'Premium Payment' means \$10,000,000 being the amount determined by the Treasurer of the State under section 112A of the Casino Control Act as the amount payable by the Company under the Management Agreement;

'Public Authority' means any government or minister or any governmental, semigovernmental or judicial entity, department, instrumentality or authority;

'Receiver' means receiver, receiver and manager or agent for a mortgagee in possession, according to the nature of the appointment;

'Related Party' means the Sponsors and any Subsidiary of the Company;

Inserted by Agreement dated 7 March 1995.

Inserted by Agreement dated 8 May 1997.

'Relevant Legislation' means the Casino Control Act, the Agreement Act and the Further Amendment Act;

'Secured Property' means at any time, any present or future right, property or undertaking of the Company, (other than an amount which has been deposited to, or which is standing to the credit of, the Debt Service Reserve Account or the Debt Protection Account (each as defined in the Facility Agreement) and any Authorised Investment (as defined in the Facility Agreement) from either of those accounts (or the proceeds of any such Authorised Investment)) under the Facility Agreement, of whatever kind or wherever situated which is subject at that time to both:

- (a) the Fixed and Floating Charge; and
- (b) any one or more of the Financiers' Securities;

and a reference to 'Secured Property' includes any part of it;

"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:
 - Gaming:
 - (ii) Surveillance;
 - (iii) International and Domestic VIP business; and
 - (iv) Compliance.

'Share' means a fully paid ordinary share with a par value of \$0.50 in the capital of the Company;

*Shareholders Agreement - Crown Management Pty Ltd' means the agreement dated 30 August 1993 between Hudson Conway Limited ACN 009 556 629, Mulawa Casinos Pty Ltd ACN 060 766 001, The Federal Hotels Limited ACN 004 108 249 and Crown Management Pty Limited ACN 059 301 610;

10, Site' has the same meaning as in the Management Agreement;

Definition of 'Shareholders' Funds' deleted by Agreement dated 2 July 1998.

Varied by Agreement dated 8 May 1997.

'Site Lease' means the lease of "part of the Site from the Minister for Finance on behalf of the State to the Company;

'Site Lease Supplemental Agreement' means the agreement between the Minister for Finance, the Company and the Agent;

¹² 'Solvency Report' means a report prepared in accordance with Australian Auditing Standard AUS 904 'Engagement to Perform Agreed Upon Procedures' and paragraphs .21(a) to (e), .23 and .24 of Australian Auditing Standard ALS 708 'Going Concern' and in a form approved by the Authority from time to time;

'Sponsors' mean Hudson Conway Limited ACN 009 556 629 and The Federal Hotels Limited ACN 004 108 249 and for the purposes of clause 22.1(a) such other person as the Authority may approve;

'Sponsor's Guarantees' means the guarantees of even date by Hudson Conway Limited ACN 009 556 629 in favour of the Authority and in favour of the State;

'State' means the State of Victoria:

'State's Nominated Representative' means the person appointed from time to time by the minister for the time being administering the *Planning and Environment Act* in accordance with clause 6.4 of the Management Agreement;

'Subsidiary' means any body corporate which would be a subsidiary of the Company within the meaning of section 46 of the Corporations Law or any entity which would be a subsidiary of the Company under Australian Accounting Standard AAS24;

¹³ Supplemental Casino Agreement' means the agreement under which the Holding Company guarantees to the Authority, the due and punctual performance of obligations owed by each member of the Holding Company Group to the Authority;

'Supplemental Development Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Hudson Conway Management Limited ACN 006 742 294 which is supplemental to the Development Agreement;

'Supplemental Operations Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Crown Management Pty Ltd ACN 059 301 610 which is supplemental to the Operations Agreement;

'Supplemental Sponsors' Agreement' means the agreement of even date between the Authority, the Company and the Sponsors which is supplemental to the Founding Shareholders Agreement;

'Temporary Casino' means those areas identified in the Drawings for the Temporary Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

Inserted by Agreement dated 8 May 1997.

Inserted by Agreement dated 2 July 1998.

Inserted by Agreement dated 2 June 1999.

*Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of this document and the Management Agreement;

'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Temporary Casino Leases' means:

- (a) the lease from the Port of Melbourne Authority to the Company; and
- (b) the sub-lease between the Urban Land Authority, Allco Nominees (Vic) Pty Ltd ACN 006 837 289 and the Company;

'Temporary Casino Leases Supplemental Agreements' means:

- the agreement between the Port of Melbourne Authority, the Company and the Agent; and
- (b) the Temporary Casino Sub-Lease Supplemental Agreement;

'Temporary Casino Site' means that part of the World Trade Centre on the land bounded by Spencer Street, Flinders Street Extension and the River Yarra identified in the Plan of Survey annexed to the lease referred to in paragraph (a) of the definition of Temporary Casino Leases;

'Temporary Casino Sub-Lease Supplemental Agreement' means the agreement between the Urban Land Authority, Allco Nominees (Vic) Pty Ltd ACN 006 837 289, the Company and the Agent;

14. Total Assets' means the aggregate of all assets of the Group which according to Australian Accounting Standards are defined, or would be regarded, as assets;

15 Total Group Assets' means the aggregate of all assets of the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as assets;

16'Total Group Liabilities' means the aggregate of all liabilities of the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities.

¹⁷ Total Liabilities' means the aggregate of all liabilities of the Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities;

'Transaction Document' means each of this document, the Management Agreement, the Casino Licence, the Site Lease, the Temporary Casino Leases, the Fixed and

Inserted by Agreement dated 2 July 1998.

Inserted by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 June 1999,

Inserted by Agreement dated 2 July 1998.

Floating Charge, the Sponsor's Guarantees, the Master Security Agreement, the Site Lease Tripartite Agreement, the Temporary Casino Leases Supplemental Agreements, the Supplemental Sponsors' Agreement, the Supplemental Development Agreement, the Contractor's Deed, the Bank Guarantees, 18 the Supplemental Operations Agreement, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement;

²⁰ Trust Deed' means the deed dated 24 December 1993 between the Company and Permanent Trustee Australia Ltd relating to the issue by the Company of unsecured notes:

²¹ Trust Deed (Series 2)' means the deed dated 15 August 1996 between the Company and Permanent Trustee Australia Limited relating to the issue by the Company of unsecured notes;

'Underwriting Agreement' means both the underwriting agreements of 13 August 1993 and 23 August 1993 between the Company, E.L. & C. Baillieu Limited ACN 006 519 393, Rothschild Australia Securities Limited ACN 008 591 768, Macquarie Underwriting Limited ACN 001 374 572, Ord Minnett Securities Limited ACN 003 245 234, James Capel Australia Limited ACN 002 786 272 and the Sponsors; and

'Warranties' means the representations and warranties of the Company set out in Schedule Three.

3. COMMENCEMENT OF CERTAIN PROVISIONS

This clause and clauses 2, 5, 6.3, 33, 34, 36, 37, and 39-48 (inclusive) commence on the date of this document.

4. VARIATION

Subject to the prior approval in writing of the Minister, the parties may from time to time by agreement in writing vary any provision of this document.

5. CONDITIONS PRECEDENT

- 5.1 The provisions of this document other than the clauses referred to in clause 3 are conditional upon the satisfaction of the following conditions precedent:
 - (a) execution of:
 - the Transaction Documents except for the Casino Licence and the Bank Guarantees;
 - (ii) the Finance Documents;
 - (iii) the Development Agreement;
 - (iv) the Operations Agreement;

Varied by Agreement dated 2 June 1999.

Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 7 March 1995.

Inserted by Agreement dated 8 May 1997,

- (v) the Construction Agreement;
- (vi) the Founding Shareholders Agreement;
- (vii) the Underwriting Agreement;
- (viii) the Equity Funding Agreement (Federal);
- (ix) the Shareholders Agreement Crown Management Pty Ltd; and
- (x) the Guarantee and Indemnity for Development Agreement;
- (b) each of the conditions precedent in each document referred to in paragraph (a) being satisfied other than:
 - (i) conditions precedent contained in paragraphs (14), (15), and (28) of Part 1 of Appendix A to and clause 4.2 of the Facility Agreement and those conditions precedent in Appendix A to the Facility Agreement that are factual or procedural matters that cannot be satisfied until the time of drawdown; and
 - (ii) the issue of the Casino Licence;
- (c) approval of the Planning Amendments; and
- (d) the coming into operation of those parts of the Agreement Act and the Further Amendment Act which relate to the construction, Fit-Out, Commissioning, Completion and operation of the Melbourne Casino Complex and the Temporary Casino Complex each in the form and substance reasonably satisfactory to the Company to enable the Company to comply with its obligations under the Transaction Documents.
- 5.2 The Authority will provide written notice to the Company and to the Minister of satisfaction of the conditions specified in clause 5.1 within 2 Business Days of the satisfaction of all of those conditions.
- 5.3 Each party shall use its best endeavours to ensure the satisfaction of the conditions in clause 5.1 as soon as possible after the execution of this document, and in any event no later than the date specified in clause 5.4.
- 5.4 This document shall terminate upon the Management Agreement terminating under clause 5.2 of that agreement.

PART 2 - DEVELOPMENT AND COMPLETION

6. DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY

- 6.1 The Company must as soon as possible, but within 10 weeks from the Licensing Date submit to the Authority for its approval the following items:
 - (a) a schedule identifying the proposed nature and degree of access (including pedestrian and vehicular) to all facilities by people who may be attending the Melbourne Casino together with a report on the vehicular part of that proposal;

- a detailed development master plan or plans clearly indicating the intentions of the Company for the development of the Melbourne Casino;
- (c) all final schematic design drawings in relation to the Melbourne Casino;
- (d) a proposal detailing the intended method of carrying out all phases of the development of the Melbourne Casino including the type of contract documentation to be used, the system (including the provision for review and approval by the Authority where required by the Authority) for the calling of tenders and appointment of sub-contractors, nominated sub-contractors, trade contractors and the method for completing construction, Fit-Out and Commissioning of the Melbourne Casino; and
- such other documents, drawings or information reasonably required by the Authority in relation to the Melbourne Casino.
- 6.2 As soon as practicable, but in any event no later than 3 months after Completion of the Melbourne Casino, the Company must prepare and supply the Authority with:
 - (a) a list of and 3 copies of all equipment and construction warranties in relation to the Melbourne Casino provided in favour of the Company;
 - (b) 3 copies of instructions and maintenance manuals in relation to the Melbourne Casino for:
 - (i) all hydraulic systems;
 - (ii) all mechanical systems; and
 - (iii) all electrical systems; and
 - (c) 3 copies of as built drawings for all services in relation to the Melbourne Casino including:
 - (i) hydraulic drawings;
 - (ii) mechanical drawings;
 - (iii) electrical drawings:
 - (iv) civil works drawings; and
 - (v) architectural drawings.
- 6.3 The Company must by the 8 December 1994 enter into a contract substantially in the form of the Construction Agreement with a builder approved by the Authority acting reasonably providing for the construction of the Melbourne Casino Complex.
- 6.4 The Company must procure the execution of the Contractor's Deed before or at the time that the Company enters into the contract referred to in clause 6.3.
- 6.5 Provision of Information and Documents

- (a) The Company must:
 - (i) within 14 days of receiving a request from the Authority; and in any event
 - (ii) by 24 May 1996, being the date by which the Company must make available the Gaming Floor and Back of House areas -

provide to the Authority the documents and information referred to in clause 6.1 of the Casino Agreement in accordance with paragraph (b) of this clause.

- (b) The Company complies with its obligations pursuant to paragraph (a) of this clause if:
- (c) the Company provides the documents or information requested by the Authority;
- (d) the Company advises:
 - (i) that it is unable, at that stage, to provide the information and/or documents;
 - the reasons for the Company's inability to provide the information and/or documents; and
 - the date by which the Company anticipates being able to provide the information and/or documents; and
 - (iv) the Authority does not, within 10 days of the receipt of the advice pursuant to this paragraph give a notice to the Company that the documents and/or information must still be provided in response to the Authority's request; or
- (e) it advises the Authority that, in respect of the documents and/or information requested by the Authority, there has been no variation to or amendment of the documents or information previously provided by the Company to the Authority.
- (f) The Company may respond to a request from the Authority by a combination of the alternatives referred to in paragraph (b) of this clause as is appropriate in the circumstances.
- (g) The Authority may make requests pursuant to paragraph (a) of this clause from time to time as it considers appropriate in its absolute discretion.
- The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document.

7. MELBOURNE CASINO WORKS

Inserted by Agreement 3 March 1995. Varied by Agreement dated 8 May 1997.

The Company must, at least 14 days prior to the commencement of any part of the Melbourne Casino, submit to the Authority for approval all working drawings and specifications relating to any such part, and in particular the following details:

- drawings of the floor layouts for the Melbourne Casino showing the placement of gaming tables and closed circuit television cameras and other surveillance facilities;
- drawings of the reflected ceiling showing the location of catwalks (if any), closed circuit television cameras, viewing panels, lights and other fittings and services;
- plans of cashiers' cages, count rooms and all security areas, including access thereto;
- (d) plans of secure areas and facilities to be used for inspectors appointed under the Casino Control Act, police and the Company's surveillance and security staff;
- (e) the electrical installations, in particular for the:
 - closed circuit television system for both surveillance of the Melbourne Casino and for use by inspectors appointed under the Casino Control Act;
 - (ii) alarm system;
 - (iii) telephone installations;
 - (iv) emergency link to local police headquarters;
 - (v) auxiliary power and lighting provisions; and
 - (vi) fire protection systems and flood control plans for the preceding items in paragraph (e);
- (f) the master-key system proposed; and
- (g) the proposed construction, supply or Fit-Out of the preceding items.

8. SAFETY PROCEDURES

The Company must, at least 14 days before the Company intends to open the Melbourne Casino for use by the public, submit to the Authority for its approval details of the following matters so far as they relate to that part of the Melbourne Casino which the Company intends to open:

- (a) fire and flood safety and damage control procedures;
- (b) emergency control procedures;
- (c) crowd control procedures;
- (d) armoured vehicle transfer arrangements; and
- (e) vehicle control and parking arrangements.

9. VARIATIONS

- 9.1 The Company must submit to the Authority details of any variations to the Drawings and the working drawings and specifications to be provided pursuant to the Control Acts, the Management Agreement or this document where any such variation in any way relates to the Melbourne Casino.
- 9.2 The Company must not make any such variations without the prior approval in writing of the Authority.

10. APPROVAL BY THE AUTHORITY

- 10.1 If the Company is required by this document to submit to the Authority any documents or proposal for approval the Company must not proceed with carrying out any works or taking any action described in or contemplated by the documents or the proposal until the Authority has approved the documents or proposal or the documents or proposal have otherwise been dealt with in accordance with this clause 10.
- 10.2 If the Company is required by this document to submit to the Authority any documents or proposal for approval, the Authority may:
 - (a) approve the documents or proposal;
 - subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - (c) require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.
- 10.3 If the Authority imposes conditions, requires amendment or rejects the documents or proposal pursuant to clause 10.2 the Company may, within 7 days of notification of the condition, amendment or rejection, make a further submission to the Authority as to why the condition should not be imposed, the amendment not be made or the documents or proposal not be rejected.
- 10.4 If the Company makes a further submission to the Authority as provided for in clause 10.3, the Authority shall give the further submission reasonable consideration and may:
 - (a) approve the documents or proposal;
 - (b) subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.

10.5 If:

- the Authority approves the documents or proposal, the Company must proceed with the work in accordance with the approved documents or proposal;
- the Authority imposes conditions in relation to the approval of the documents or proposal, the Company must comply with those conditions; or
- (c) the Authority requires amendment to the documents or proposal, the Company must, within 14 days of notification of the requirements, submit to the Authority further documents or a further proposal amended in accordance with the requirements and such documents or proposal shall be dealt with in accordance with this clause 10.
- 10.6 In imposing any conditions to any approval under clause 10 of any document or proposal the Authority must not act unreasonably having regard to the effect of the Melbourne Casino Complex Development Proposals, the Temporary Casino Complex Development Proposals, the Planning Amendments and the design and planning objectives of the State.

11. TIME FOR APPROVAL

- 11.1 If the Company submits any documents or proposal to the Authority, the Authority must respond in writing to the Company in the manner contemplated in clause 10 within 14 days of receiving the documents or proposal from the Company or such further period agreed between the Authority and the Company.
- 11.2 If the Authority has not responded in writing to the Company as required by clause 10 within 14 days or such further period as agreed, the Authority will be taken to have given its approval.
- 11.3 Clauses 11.1 and 11.2 apply only in relation to clauses 6 20 inclusive.

12. DIRECTOR OF CASINO SURVEILLANCE

- 12.1 The Authority must ensure that all documents and proposals which are submitted to the Authority for approval under this document and which must also be approved by the Director of Casino Surveillance under section 59 of the Casino Control Act are provided by the Authority to the Director of Casino Surveillance who shall be responsible for providing any necessary approvals.
- 12.2 Clauses 10 and 11 will apply in relation to any approvals to be given by the Director of Casino Surveillance as if the Director of Casino Surveillance were the Authority.
- 12.3 Nothing in this document shall be taken as limiting or fettering the rights of the Director of Casino Surveillance under the Casino Control Act.

13. PROVISION OF FACILITIES FOR INSPECTORS

The Company must at its expense provide, keep and maintain all facilities and surveillance systems in the Melbourne Casino required for the use of inspectors appointed under the Casino Control Act.

14. SITE ACCESS

14.1 Persons authorised in writing by the Authority or the Director of Casino Surveillance may at all reasonable times have free access to the Site but in doing so such persons must not interfere with the progress of any works except for the purpose of exercising any powers conferred under the Transaction Documents or the Casino Control Act. Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice, the Authority or the Director of Casino Surveillance and the Company must co-operate in the co-ordination of the Authority's or the Director of Casino Surveillance's inspections, measurements and tests with the requirements of the Company in relation to any programmes for and the timely Completion of the Melbourne Casino, with the objective of achieving, to the maximum extent possible, inspections, measurements and tests at the most appropriate times during the execution of the works for the Melbourne Casino and prior to closing up of the relevant part of the works.

20

- 14.2 The Authority or the Director of Casino Surveillance may, from time to time, give to the Company reasonable notice in writing that:
 - the Authority or the Director of Casino Surveillance proposes to carry out during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests; or
 - (b) the Authority or the Director of Casino Surveillance requires the Company to carry out, during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests as described in the notice.
- 14.3 If the Company receives a notice pursuant to clause 14.2, the Company must ensure that no part of the works in relation to the Melbourne Casino thereafter becomes inaccessible before any required inspection, measurement or test is completed, and:
 - if the notice is pursuant to paragraph 14.2(a), the Company must permit the Authority, the Director of Casino Surveillance or their respective agents to carry out the inspection, measurement or test; or
 - (b) if the notice is pursuant to paragraph 14.2(b), the Company must carry out the inspection, measurement or test, at its cost, in accordance with the conditions set out in the notice and at a time specified in the notice and must immediately thereafter provide to the Authority or the Director of Casino Surveillance a copy of the results of the inspection, measurement or test.
- 14.4 The Authority or the Director of Casino Surveillance and any persons authorised by any of them must not act unreasonably when exercising any powers under clause 14.
- 14.5 Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice and notwithstanding clause 14.3, if the Authority, the Director of Casino Surveillance or any of their respective agents carry out any inspection, measurement or test or require the Company to carry out any inspection, measurement or test in respect of any part of the works in relation to the Melbourne Casino which has become inaccessible the Authority, the Director of Casino Surveillance or any of their respective agents must first give the Company notice in writing of the Authority's or the Director of Casino Surveillance's reasonable requirements in respect of the inspection, measurement or test.

15. RECTIFICATION AND SUSPENSION OF THE WORKS IN RELATION TO THE MELBOURNE CASINO

- 15.1 If following any inspection, measuring or examination of the works in relation to the Melbourne Casino the Authority is of the opinion that the works do not comply with any of the requirements in clauses 6 20 of this document or the reasonable requirements of the Authority which have been notified in writing to the Company or the requirements of any approved Documentation, the Authority may by notice to the Company specify:
 - (a) in what respect the works do not comply; and
 - (b) what action must be taken to rectify the non-compliance and the reasonable time within which that action is to be taken,

and the Company must comply with that notice.

15.2 If the Authority forms the opinion that the Company has failed for any reason to comply with a notice given pursuant to clause 15.1, the Authority may, without prejudice to any other right or remedy arising because of that failure, by notice to the Company direct the suspension of that part of the works in relation to the Melbourne Casino which is the subject of the notice given pursuant to clause 15.1 until the notice given pursuant to clause 15.1 is complied with.

16. PROJECT ADVISORY MEETINGS

- 16.1 Project advisory meetings must be held on a monthly basis and from time to time as may be required by the Authority during the design documentation, construction, Fit-Out and Commissioning of the Melbourne Casino.
- 16.2 The principal purposes of these meetings are to monitor design development, contract documentation and progress of the construction of the Melbourne Casino and to ensure compliance by the Company with its obligations under this document.
- 16.3 The meetings must be:
 - (a) at a location determined by the Authority;
 - (b) attended by at least 1 and not more than 4 representatives from each of the Authority and the Company; and
 - (c) chaired by a person nominated by the Authority.
- 16.4 The State's Nominated Representative may attend the meetings.
- 16.5 The Company must provide accurate minutes to the Authority and the State's Nominated Representative within 3 days after each project advisory meeting.

17. MULTIPLE COPIES OF PLANS

The Company must provide to the Authority 3 copies (or such lesser number as may from time to time be agreed) of all plans, specifications and other material required to be provided pursuant to clauses 6 to 18 (inclusive) of this document.

18. DEVELOPMENT OF THE TEMPORARY CASINO

- 18.1 The Company must provide to the Authority for its approval all documents, drawings and information additional to the Temporary Casino Complex Development Proposals and the Drawings which are necessary for the design and construction of the Temporary Casino, including details of those items specified in clauses 6,7 and 8 in so far as they relate to the Temporary Casino.
- 18.2 The Company must provide to the Authority for its approval any other documents, drawings or information requested by the Authority in relation to the Temporary Casino.
- 18.3 Clauses 9, 10, 11 and 12 apply (unless the context otherwise requires) in relation to any submissions by the Company to the Authority for the approval of documents and drawings or any proposal relating to the Temporary Casino Complex or to any application by the Company to vary any approved document or drawing as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino the Melbourne Casino.
- 18.4 Clauses 13, 14, 15 and 16 apply (unless the context otherwise requires) in relation to the Temporary Casino Complex and the Temporary Casino Site as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino Site the Site.

PART 3 - COMPLETION

19. OPENING OF THE MELBOURNE CASINO

It is a condition precedent to approval to open the Melbourne Casino that at least 2000 car parking spaces are available for use on the Site.

20. COMPLETION

- 20.1 The Company must give not less than 7 Business Days notice in writing to the Authority that the Company anticipates that the Temporary Casino or the Melbourne Casino, as the case may be, ('Relevant Works') will be Completed on the date specified in the notice.
- 20.2 On the date agreed between the Company and the Authority (and if no date is agreed, then on the date specified in the Company's notice under clause 20.1) the Authority must inspect the Relevant Works and consider all matters relevant to the Completion of the Relevant Works.
- 20.3 If the Authority is of the opinion that the Relevant Works are not Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 give notice to the Company of this opinion and state in that notice the reason or reasons why the Authority is of this opinion.
- 20.4 If the Authority is of the opinion that the Relevant Works are Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 issue a certificate to the Company stating the date on which it believes those Relevant Works reached Completion and those Relevant Works shall, for the purpose of this document, be taken to have been Completed on that date.

- 20.5 Upon receipt of a notice from the Authority under clause 20.3, the Company must immediately attend to any matters stated in the notice as requiring attention and upon the Company attending to these matters, the Company must give a further notice in writing to the Authority pursuant to paragraph 20.1.
- 20.6 Any determination by the Authority that any Relevant Works have been Completed is not acceptance that the Company has complied with the Transaction Documents and any right which the Authority may have had prior to that determination is preserved absolutely.
- 20.7 If the Authority does not deliver a notice to the Company under clause 20.3 or a certificate under clause 20.4 within the 10 Business Days period referred to in those clauses, the Relevant Works will be taken to have been Completed on the date on which those Relevant Works were inspected under clause 20.2 and a certificate of Completion will be taken to have been issued by the Authority with a date of Completion on that date.
- 20.8 A certificate of Completion under clause 20 does not excuse the Company from compliance with all relevant legislation in relation to the Relevant Works.

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

21. WARRANTIES OF THE COMPANY

- 21.1 The Company makes the Warranties to the Authority as at the date of this document and for each day up to and including the Licensing Date.
- 21.2 Each Warranty shall be construed separately and the meaning of each shall in no way be limited by reference to any other representation or warranty contained in this document.

22. CONDITIONS RELATING TO COMPANY STRUCTURE

22.1	The following are conditions of this document:
23	***
24	***
25	***
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Substituted by Agreement dated 8 May 1997.

Clause 22.1 (a) deleted by Agreement dated 2 June 1999.

²⁵ Clause 22.1 (aa) deleted by Agreement dated 2 June 1999.

Clause 22.1 (ab) deleted by Agreement dated 2 June 1999.

²⁷ Clause 22.1 (ac) deleted by Agreement dated 2 June 1999.

Claude 22.1 (ad) deleted by Agreement dated 2 June 1999.

29

- (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 the 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 this 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;
- (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;
- the Company must obtain the prior written approval of the Authority to any appointment of a director or alternate director of the Company;
- the Company must procure the vacation from office of any director or alternate director of the Company in accordance with any direction to that effect by the Authority;
- (e) the articles of association of the Company must provide at all times for a minimum of 5 directors to be appointed;
- (f) 30 the Company will not knowingly permit a person or, upon becoming aware of a person being entitled, allow a person to continue to be entitled to a number of Shares which exceeds 5% of the total number of Shares on issue at any time without the prior written approval of the Authority;
- (g) where required by the Authority, the Company must enforce the disposal of Shares of any person in accordance with the procedures for such disposal set out in the articles of association of the Company;
- (h) if so requested by the Authority, the Company must when requested, at any time that it is a company within the meaning of Part 6.8 of the Corporations Law, issue notices pursuant to Sections 718 and 719 of the Corporations Law_in respect of particular Shares;
- (i) except for the issue of partly paid shares in the Company to employees of the Company (not exceeding 5% of the fully diluted total issued capital of the Company), options issued to the Sponsors (not exceeding 15% of the fully diluted total issued capital of the Company) and subject to clause 22.1(m)

Substituted by Agreement dated 2 June 1999.

Clause 22.1 (b) deleted by Agreement dated 2 June 1999.

unsecured debt securities issued in the ordinary course of business of the Company which do not materially increase the total indebtedness of the Company, the Company must not issue any shares of a class other than the Shares or any other security (as defined in section 92 of the Corporations Law) without the prior written approval of the Authority;

- 31 (j) the Company must not, without the prior written approval of the Authority, issue or announce the issue of Shares, if such issue would require the approval of holders of Shares under rule 7.1 of the Listing Rules of ASX;
 - (k) the memorandum and articles of association of the Company must not be amended without the prior written approval of the Authority;
 - no person may be appointed as auditor of the Company unless that person's appointment has first been approved in writing by the Authority;
- (m) subject to clause 22.6, the Company must procure that at any time Total Liabilities does not exceed 60% of Total Assets without the prior written approval of the Authority;
- (ma) Total Group Liabilities must not at any time exceed 60% of Total Group Assets without the prior written approval of the Authority;
 - (n) the Company must provide to the Authority within 14 days of the end of each month details of all Shares issued by the Company³⁴ and a list of the top 50 holders of Shares registered at the end of the previous month;
 - a director or alternate director of the Company must not gamble in the Temporary Casino or the Melbourne Casino;
 - (p) the Company must not earry on or conduct any business other than the businesses contemplated by or authorised under this document and the Casino Licence or any business incidental to or complementary with those businesses except with the prior written approval of the Authority;^{3,5}
 - (q) the Company must not establish or acquire a Subsidiary unless it relates to an
 incidental or complementary business referred to in paragraph (p) except with
 the prior written approval of the Authority;³⁶
 - 37(r) the Holding Company Group, if it pursues anywhere in Australia a business similar to that of the Company, will use its best endeavours to ensure that such business is conducted in a manner:

³¹ Substituted by Agreement dated 8 May 1997.

³² Substituted by Agreement dated 2 July 1998.

Jinserted by Agreement dated 2 June 1999...

³⁴ Varied by Agreement dated 8 May 1997.

Varied by Agreement dated 2 June 1999...

Varied by Agreement dated 2 June 1999.

Waried by Agreement dated 2 June 1999.

- which is beneficial both to that business and to the Company and which promotes tourism, employment and economic development generally in the State of Victoria; and
- (ii) which is not detrimental to the Company's interests; and
- (ra) the Company must ensure that the Holding Company Group locates the headquarters of its gaming business in Melbourne;
- unless the Company, the Holding Company, the State and the Authority agree otherwise, the Company must ensure that the State is at all times the beneficiary and holder of:
 - a first ranking unlimited fixed and floating charge over all the assets and undertakings of the Company; or
 - (ii) a first ranking fixed and floating charge, limited to an amount of not less than \$100,000,000.00, over all the assets and undertakings of the Company, together with a letter or letters of credit from banks o financial institutions acceptable to the State, in form and substance acceptable to the State, up to an aggregate amount of not less than \$100,000,000.00 (in addition to any other letter of credit or bank guarantee which must be provided to the State under the Management Agreement).
- (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;
- (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,

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 procuration of the alternative project as required by clause 5 of Schedule 8 of the Casino (Management Agreement) Act 1993;

 (w) the Company will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia;

Inserted by Agreement dated 2 June 1999.

- (x) the Company 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.
- 22.2 In clause 22.1, 'Share' or 'Shares' includes, as the context requires, any other class of voting security (as defined in section 92 of the Corporations Law) issued by the Company.
- 22.3 For the purposes of clause 22.1, a reference to a person being entitled to Shares has the same meaning as a reference in Part 6.7 of the Corporations Law to a person being entitled to voting shares in a company and that person's entitlement will be calculated in the manner prescribed for calculation of substantial shareholdings in Part 6.7 of the Corporations Law as if that Part applied.
- 22.4 For the purpose of paragraphs 22.1(p) and (q), a business is incidental or complementary to the contemplated businesses if a dominant purpose of the business is to operate in support of and in conjunction with the contemplated businesses in order to increase or preserve the revenue of those contemplated businesses.
- 22.5 For the purposes of clause 22.1, 'hold' or 'held' in relation to Shares means that those Shares are beneficially owned, and includes Shares registered in the name of a nominee holding under a bare trust.
- ³⁹22.6 Any approval given by the Authority under clauses 22.1(m) and 22.1(ma)⁴⁰ may be given subject to such conditions as the Authority determines.
- 4122.7 If at any time there is any change in Australian Accounting Standards or their application and such change will have a material impact on the compliance by the Company with clauses 22.1(m) and 22.1(ma), 42 the Authority agrees to discuss with the Company amendments that may be required to the definitions relevant to clauses 22.1(m) and 22.1(ma) 43 to ensure that the provisions of this document would have the same economic effect had such a change not been made. The Authority is not obliged to agree to any such amendments.
- For the purpose of monitoring compliance by the Company with clauses 22.1(m) and 22.1(ma), the Company must calculate the ratio of Total Liabilities to Total Assets and the ratio of Total Group Liabilities to Total Group Assets at the last day of every month ('Calculation Day') and provide to the Authority written details of such calculation within not more than 10 Business Days after the Calculation Day.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.

⁴³ Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.

Waried by Agreement dated 2 June 1999.

- 4722.9 If any ratio⁴⁸ calculated under clause 22.8 is greater than 60%, the Company must procure that its auditor provides to the Authority a Solvency Report in respect of the Company and the Holding Company Group⁴⁹ addressed to the Authority by not later than the 20th day of the month following the Calculation Day.
- 5022.10 If any ratio⁵¹ calculated under clause 22.8 is greater than 60%, the Company may make written submissions to the Authority for consideration by the Authority for the purposes of clause 22.12 in relation to the period within which the Company expects any ratio will not exceed 60% and the financial position of the Company and the Holding Company Group. ⁵² Any such written submissions must be provided to the Authority by not later than the 20th day of the month following the Calculation Day.
- 5322.11 For the purposes of clause 22.12, the Authority may by notice in writing to the Company require the Company to provide to the Authority within the period specified in the notice such further information as the Authority requires in relation to a Solvency Report or the financial position of the Company and the Holding Company Group.⁵⁴

5522.12 If:

- (a) any ratio⁵⁶ calculated under clause 22.8 is greater than 60%;
 - (b) the Solvency Report provided under clause 22.9 concludes that there is a reasonable basis for believing that the Company will meet its debts as and when they fall due for the next 12 months;
 - (c) the Authority is satisfied that the Company will comply with clauses 22.1(m) and 22.1(ma)⁵⁷ within a period acceptable to the Authority; and
 - (d) the Authority is otherwise satisfied with the financial position of the Company and the Holding Company Group;⁵⁸

the Authority may determine not to issue a notice to the Company under clause 31.2 of this document in respect of the breach of clauses 22.1(m) and 22.1(ma).⁵⁹

23. INSPECTION OF RECORDS

The Company must upon demand make available for inspection by the Authority all records, accounts and information held by or on behalf of the Company and allow the Authority to take copies of or extracts from all such records, accounts and information.

Inserted by Agreement dated 2 July 1998.

⁴⁸ Varied by Agreement dated 2 June 1999.

Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.

Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

⁵⁴ Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.

Varied by Agreement dated 2 June 1999.
 Varied by Agreement dated 2 June 1999.

⁵⁹ Varied by Agreement dated 2 June 1999.

24. ATTENDANCE AT COMPANY MEETINGS

- 24.1 A representative of the Authority is entitled to attend and to speak at any meeting of the Company as though he or she were a shareholder of the Company, but this clause does not confer a right to vote on the Authority or its representative.
- 24.2 The Company must deliver to the Authority copies of all notices and circulars that are forwarded to shareholders in the same manner and time frame as if the Authority were a shareholder.

25. DISCLOSURE

- 25.1 If the Company is admitted to the Official List of the ASX or is listed on any other stock exchange ('Exchange'), the Company must provide to the Authority a copy of:
 - all notices or other information provided by or on behalf of the Company to the ASX or Exchange; and
 - (b) all notices or other information relating to the Company which are received by the Company from the ASX or Exchange,
 - on the same date that those notices or other information are provided to the ASX or Exchange or received by the Company.
- 25.2 The Company must immediately notify the Authority of any information necessary to ensure that the Authority is able to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company.
- 25.3 Without limiting the generality of clause 25.2, the Company must immediately notify the Authority of any event or circumstance which would be material to the Company having regard to the definition of materiality in Australian Accounting Standard AAS5.
- 25.4 The Company and any Subsidiary must, within 15 Business Days of the end of each quarter ending on the last day of September, December and March in each year, give to the Authority a quarterly financial report in the form of the report in Schedule Four.
- 25.5 The Company must provide to the Authority a copy of:
 - (a) all notices or other information provided by or on behalf of the Company to the Australian Securities Commission; and
 - (b) all notices or other information relating to the Company which are received by the Company from the Australian Securities Commission,
 - on the same date that those notices or other information are provided to the Australian Securities Commission or received by the Company.
- 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.

PART 5 - GRANT OF THE CASINO LICENCE

26. GRANT OF CASINO LICENCE

- 26.1 Subject to:
 - (a) provision of the Bank Guarantees;
 - (b) payment by the Company to the State of:
 - (c) the Premium Payment; and
 - (d) a further amount of \$190,000,000; and
 - payment by the Company of the Casino Supervision and Control Charge due on the Licensing Date,

the Authority will grant the Casino Licence for the Temporary Casino and the Melbourne Casino to the Company on the Licensing Date.

- 26.2 While the Casino Licence remains in force, the Authority undertakes not to grant a casino licence to any person enabling any person other than the Company to operate a casino:
 - (a) anywhere in the State prior to 6 years from the Licensing Date; and
 - (b) in those parts of the State within a radius of 150 kilometres from the Site, prior to 12 years from the Licensing Date.
- 26.3 If after the Melbourne Casino opens for business:
 - the Melbourne Casino is Completely Destroyed by an Extension Event prior to the end of the exclusivity period in clause 26.2(b); and
 - in the reasonable opinion of the Authority the Company acts diligently to reinstate the Melbourne Casino,

the period in clause 26.2(b) shall be extended by the Extension Period.

- 26.4 For the purposes of clause 26.3 and this clause 26.4, the following words or phrases have the following meanings:
 - *Completely Destroyed* means destruction or damage to the Melbourne Casino or any other Extension Event which causes the complete closure of the Melbourne Casino;

'Extension Period' means the lesser of:

- (a) 12 months; and
- the period from the Destruction Date to the date on which the Melbourne Casino reopens for business;

'Destruction Date' means the date on which the Melbourne Casino is Completely Destroyed;

'Extension Event' means:

- (a) a Force Majeure Event; or
- (b) any other event or circumstance which is outside the control of the Company and has not been directly or indirectly caused by an act or omission of the Company or any of its Associates,

but does not include an event which would not have occurred if the Company had exercised reasonable care and diligence.

- 26.5 If the Company wishes to apply to the Authority for a further casino licence upon the expiration of the Casino Licence, it may do so in accordance with the following provisions:
 - (a) if the Company is not in breach of any material provision of this document or of any other Transaction Document, the Company may at any time during the period commencing on the date being the first day of the fifth last year of the term of the Casino Licence and terminating on the date being the last day of the fifth last year of the term of the Casino Licence give notice in writing to the Authority that the Company wishes to apply for the grant of a new licence to operate a casino in the Melbourne Casino Complex;
 - (b) following the giving of the notice under clause 26.5(a), the Authority shall within six months inform the Company of the basis on which the Authority is prepared to grant a new licence to operate a casino in the Melbourne Casino Complex and thereafter the Authority shall negotiate with the Company in good faith with a view to reaching agreement on a basis upon which the Authority is prepared to grant the new licence to the Company;
 - (c) the Authority shall have no obligation under this clause 26.5 other than to notify the Company of the basis on which the Authority is prepared to grant a new licence and thereafter to negotiate in good faith with the Company;
 - (d) the Company shall have no right or expectation of any nature whatever to the grant of a new casino licence following the expiration of the Casino Licence; and
 - (e) if by the first day of the last year of the term of the Casino Licence, agreement has not been reached between the Authority and the Company for the grant of a new casino licence to the Company, the Authority shall be free to grant a new casino licence to any other person with effect from or after the date of expiry of the Casino Licence on such terms and conditions as the Authority in its absolute discretion determines to be appropriate.

GAMES

- 27.1 The Authority will publish a notice pursuant to section 60 of the Casino Control Act to enable the conduct and playing in the Temporary Casino and the Melbourne Casino of the following games, which must be conducted or played in accordance with the rules approved by the Authority under that section:
 - (a) Blackjack;
 - (b) American Roulette;
 - (c) Baccarat;
 - (d) Mini Baccarat;
 - (e) Craps;
 - (f) Two-up;
 - (g) Mini-Dice;
 - (h) Wheel of Fortune;
 - (i) Sic-Bo;
 - (j) Pai Gow;
 - (k) Keno;
 - (l) Poker;
 - (m) French Roulette; and
 - (n)if approved by the Authority, games or derivatives devised or developed by the Company.
 - any other game approved by the Commission for use by the Company.
- 27.2 The Authority approves for the Temporary Casino and the Melbourne Casino all games which are approved as of the date of this document to be played on a gaming machine by the Victorian Gaming Commission and those games shall be taken to be included in the list in clause 27.1.
- 27.3 The Authority will use its good offices with the State to endeavour to procure that the State will approve:
 - the offering of linked jackpots for games conducted in the Temporary Casino or the Melbourne Casino; and
 - (b) the joining in the linking of games with other casinos, hotels, clubs and other venues for the purposes of providing linked jackpots on gaming machines or Club Keno.
- 27.4 In approving rules for games under section 60 of the Casino Control Act and giving directions under section 61, the Authority shall consult with the Company and shall have regard to the equivalent rules, commercial terms and regulations applicable to other casinos in Australia.

28. CASINO OPERATING PRACTICES

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Temporary Casino and the Melbourne Casino as a discrete business operated in Melbourne in a proper and efficient manner having regard to the best operating practices in international easinos of a similar size and nature to the Melbourne Casino:

28. CASINO OPERATING PRACTICES

- 28.1 The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Melbourne Casino in a proper and efficient manner having regard to the best operating practices in interantional casinos of a similar size and nature to the Melbourne Casino.
- 28.1 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.
- 28.2 The Company's obligations under Clauses 22.1(ra), (v), (w) and (x) are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), such material and adverse effects to be established in accordance with this Clause 28. For the purpose of this Clause 28.2, a statute, regulation or action will be deemed to have been "specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in comparison to its effects on other Victorian businesses, employers or taxpayers.
- 28. 3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the amendments referred to in Clause 28.2.

- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has been materially and adversely affected will be determined by an independent expert as follows:
 - (a) The independent expert will be chosen by agreement between the Commission and the Company or, where the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
 - Both parties shall be entitled to make written submissions to the independent expert;
 - (c) The decision of the independent expert shall be final and binding on the parties; and
 - (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert.

PART 6 - ENCUMBRANCES AND ASSIGNMENTS

29. ENCUMBRANCES

- 29.1 The Company must not create or permit to subsist any Encumbrance over or in relation to any Assets and Rights of the Company other than:
 - (a) Encumbrances solely over any Assets or Rights which are not Casino Assets and where the Encumbrances do not, together, secure actual or contingent indebtedness exceeding, in the aggregate, \$1,000,000;
 - (b) liens arising solely by operation of law (or by an agreement to the same effect) in the ordinary course of the business of the Company where the amount secured:
 - (i) has been due for less than 30 days; or
 - (ii) is being contested in good faith and by appropriate means;
 - (c) without limiting paragraph (b), retention of title arrangements, where the amount payable:
 - (i) has been due for less than 30 days; or
 - (ii) is being contested in good faith and by appropriate means;
 - (d) the Encumbrances referred to in clause 30; or
 - (e) any other Encumbrances created or subsisting with the prior approval in writing of the Authority;

- except with the prior approval in writing of the Authority and in compliance with any terms or conditions on which that approval is given.
- 29.2 Subject to clause 29.3, the Company must not dispose of any Assets and Rights of the Company other than pursuant to a Permitted Encumbrance except with the prior approval in writing of the Authority.
- 29.3 Clause 29.2 does not apply to a disposal of:
 - (a)assets other than Casino Assets in the ordinary course of the business of the Company; or
 - (b)obsolete or surplus Cusino Assets on ordinary commercial terms:
- 29.2 Except with the prior approval in writing of the Commission, the Company must not dispose of:
 - (a) Casino Assets except:
 - in the ordinary course of the business of operating the Melbourne Casino; or
 - (ii) obsolete or surplus Casino Assets on ordinary commercial terms; and
 - assets that are not Casino Assets which (assuming the Site Lease had expired) revert to Her Majesty under Part 13 of the Site Lease.
- 29.3 Not Used
- 29.4 In clause 29.2 'dispose' includes:
 - (e)(a) a disposition of any estate or interest in any manner including by way of sale, transfer, assignment, lease, letting, licence, surrender or abandonment; and
 - (d)(b)entering into an agreement or arrangement to effect a disposition,

whether in either case for valuable consideration or not.

30. PERMITTED ENCUMBRANCES

- 30.1 The Authority has consented to the creation of Encumbrances by the Company under and in accordance with the securities identified in paragraphs (a)⁶⁰ of the definition of Financiers' Securities in the Master Security Agreement⁶¹.
- 30.2 The ranking as between the Encumbrances referred to in clause 30.1 and the Fixed and Floating Charge and other matters regarding the enforcement of Encumbrances will be regulated by the Master Security Agreement.

Varied by Master Security Agreement dated 30 July 1997.

Waried by Master Security Agreement dated 30 July 1997.

- 30.3 The Company must give prompt notice to the Authority of any Lease that the Company proposes to enter into for, or for the financing of:
 - any asset necessary for or incidental to the operation of the Melbourne Casino or Temporary Casino; or
 - (b) any asset whatever having a value, either separately or when aggregated with the value of other assets or equipment leased from the same lessor or related bodies corporate of that lessor, exceeding \$1,000,000;

and before entering into that Lease (or if it has already entered into such Lease, then on request by the Authority) the Company must procure that the lessor of any such equipment or asset enters into a supplemental agreement with the Authority regulating access to and entitlement to that equipment or asset on terms satisfactory to the Authority.

PART 7 - TERMINATION

31. TERMINATION OF THIS DOCUMENT

- 31.1 This document will automatically terminate:
 - (a) without notice to the Company if the Casino Licence is:
 - (i) surrendered; or
 - (ii) cancelled; or
 - (b) when the Casino Licence expires due to the effluxion of time.

Such termination does not affect the ability of either party to enforce a right which may have accrued to it under this document prior to such termination.

- 31.2 Subject to the Master Security Agreement, it shall be a contravention of a condition of the Casino Licence enabling the Authority to serve a notice on the Company pursuant to section 20(2) of the Casino Control Act if any of the following events occurs:
 - (a) the Company commits a breach of any provision of this document (other than clauses 32.1 and 32.2), and the Authority has given a notice ('Notice') to the Company detailing the particulars of the breach unless:
 - (i) if the breach is capable of remedy:
 - it is remedied within the cure period allowed in the Notice which shall not be less than 60 days to the reasonable satisfaction of the Authority; or
 - (B) the Company:
 - is diligently pursuing a course of action which could reasonably be expected to remedy the breach in a period of time reasonably acceptable to the Authority; and

- (ii) is making satisfactory progress with such course of action; or
- (ii) if the breach to which the Notice refers is not capable of remedy:
 - (A) the Company is complying to the reasonable satisfaction of the Authority with any reasonable requirements of the Authority in relation to the breach or is attending to the reasonable redress of the prejudice arising from the breach, default or event in the manner specified in the Notice; or
 - (B) the payment of damages constitutes in the reasonable opinion of the Authority, as the case may be, proper redress and the required amount of damages is paid within 15 Business Days of the date for payment as specified in the Notice;
- (aa) an Event of Default (as described in the Deed of Undertaking and Guarantee) occurs under the Deed of Undertaking and Guarantee;
- (b) any of the following occurs and the Company does not within 10 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:
 - a provisional liquidator or administrator is appointed to the Company;
 - (ii) a Receiver is appointed to any of the Casino Assets;
 - (iii) any Encumbrance becomes enforceable and the holder of the Encumbrance takes possession of any of the Casino Assets; or
 - (iv) a judgment is obtained against the Company and execution or other process of any Court or other authority is issued against or is levied or enforced upon any of the Casino Assets;
- (c) a liquidator is appointed to the Company;
- (d) prior to Completion, the Financiers terminate their obligations under the Facility Agreement, or otherwise permanently refuse to permit any further drawings under the Facility Agreement or the facilities provided or available under the Facility Agreement, and the Company does not within 20 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents;
- (e) a Notice of Intention pursuant to the Supplemental Development Agreement is given by the Developer under that agreement and is not withdrawn within 10 Business Days;
- a Notice of Intention pursuant to the Contractor's Deed is given by the Contractor under that deed and is not withdrawn within 10 Business Days;

- (g) except with the prior consent in writing of the Authority the members resolve to wind up the Company;
- (h) the Site Lease is terminated or surrendered;
- prior to Completion of the Melbourne Casino any one of the Temporary Casino Leases is terminated (other than by effluxion of time) or surrendered;
- (j) prior to the subscription by the Founding Shareholders for all the Shares for which they have agreed to subscribe under the Founding Shareholders Agreement, any of the following occurs and the Company does not within 10 Business Days after the Authority has given notice to the Company remedy the event or redress the prejudice arising from the event or establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:
 - a Founding Shareholder fails to comply with any obligation to subscribe for Shares in accordance with the provisions of the Founding Shareholders Agreement;
 - (ii) a Receiver, provisional liquidator, liquidator or administrator is appointed to a Sponsor; or
 - (iii) except with the prior consent in writing of the Authority the members resolve to wind up a Sponsor; or
- (k) Shares having an aggregate subscription amount of \$210,000,000 have not been subscribed for by the Licensing Date by persons other than the Founding Shareholders and within 10 Business Days of the Licensing Date the Company has not established to the reasonable satisfaction of the Authority that the Company will despite this be able to perform its obligations under the Transaction Documents.
- 31.3 The Authority may in its absolute discretion extend any time period referred to in clause 31.2.
- 31.4 Nothing in clause 31.2 shall prevent the Authority from issuing a notice under sectior 20(2) of the Casino Control Act in order to issue a letter of censure or to impose a fine in accordance with the provisions of the Casino Control Act.
- 31.5 Subject to clause 26 of the Management Agreement, on termination of this document:
 - (a) except as otherwise provided by this document all rights of the Company to, in or under this document will cease but without prejudice to the liability of any party in respect of any antecedent breach or default under this document or in respect of any indemnity or other payment obligation under this document;
 - (b) all moneys owing or remaining unpaid (and whether actually or contingently) to the Authority will (to the extent not then due) become immediately due and payable and the Company must immediately pay all those moneys to the Authority; and
 - (c) except as otherwise provided in this document, neither the Company nor any Sponsor or any other person will have any claim against the Authority with respect

to any matter or thing in or arising out of this document and in particular, but without limiting the generality of the preceding paragraphs, the Company will have no claim to the repayment of all or any part of the Licensing Payment Amounts.

- 31.6 Without limiting the Authority's or the State's rights under the Fixed and Floating Charge or otherwise, in the event of the termination of this document neither the Company nor any other person is permitted (without the prior approval in writing of the Authority) to remove from the Casino Complex or the Site or the Temporary Casino Complex or the Temporary Casino Site any gaming equipment, equipment, furniture or fittings necessary for or incidental to the operation of the Melbourne Casino or the Temporary Casino, as the case may be, and the Authority is and will be entitled for so long as it deems fit to use all that gaming equipment, equipment, furniture and fittings for the purpose of operating the Melbourne Casino or the Temporary Casino.
- 31.7 The Company irrevocably appoints the Authority and each of its officers and any manager appointed by the Authority under the Casino Control Act jointly and severally to be its attorney and in its name and on its behalf to exercise, sign and do all assurances, deeds, instruments, agreements, acts and things which in the opinion of the Authority or such officer, manager are necessary or expedient to give effect to any right, power or remedy conferred under or in relation to any Transaction Document or the Casino Control Act or are necessary or expedient that the Company do.
- 31.8 The power of attorney granted under clause 31.7 survives termination of this document but may only be exercised if an event specified in clause 31.2 has occurred and has not been remedied or waived.

PART 8 - COMPLEMENTARY AGREEMENTS

32. COMPLEMENTARY AGREEMENTS

- 32.1 The Company undertakes that it will not, without the prior written consent of the Authority:
 - (a) give or recognise any waiver under a Complementary Agreement;
 - (b) amend, supplement or otherwise modify a Complementary Agreement;
 - assign (whether absolutely or by way of security), novate or otherwise transfer its rights or obligations under a Complementary Agreement;
 - (d) give or permit to be created any Encumbrance over its rights under a Complementary Agreement;
 - (e) terminate a Complementary Agreement; or
 - (f) agree to do any of the above,

where to do so would have a material and adverse effect on the Company's ability to construct or operate the Temporary Casino or the Melbourne Casino in accordance with this document.

- 32.2 The Company must comply with all of its obligations under the Complementary Agreements and must use its best endeavours to ensure that the other parties to the Complementary Agreements (other than the State and the Authority) comply with their respective obligations, where a failure to do so in either case would have a material and adverse effect on the ability of the Company to construct or operate the Temporary Casino or the Melbourne Casino in accordance with this document.
- 32.3 The Company must comply with all of the obligations under the Company's memorandum and articles of association which are relevant or relate to the provisions in clause 22.
- 6232.4 The Company undertakes to the Authority that by 31 March 1994 the Company will obtain an enforceable commitment upon terms and from persons approved in advance by the Authority that such persons shall provide to the Company not less than \$50,000,000, whether by way of capital subscription or financial accommodation. Such funds shall be in addition to all funds committed to the Company as of the Licensing Date (whether debt or equity).
- 32.5 The approval of the Authority under clause 32.4 shall not be unreasonably withheld.
- 6332.5 Any agreement entered into by the Company pursuant to clause 32.4 shall be a Complementary Agreement for the purposes of this document.
- 32.6 The parties acknowledge that the underwriting agreement dated 23 August 1993 (being one of the agreements referred to in the definition of the Underwriting Agreement in clause 2) shall not be a Complementary Agreement for the purposes of this document.
- 32.7 The obligations of the Company under clause 32.4 do not derogate from the obligations of the Company under clause 22.1(m) of this document.

PART 9 - GENERAL

33. COMPANY RELIES ON OWN JUDGMENT

33.1 Save where a statement, representation or warranty is given in its favour, under this document or any Transaction Document, the Company acknowledges that it is entering into this document in reliance on its own judgment and following review of the Site and the Temporary Casino Site and the business opportunity provided by, among other things, the Casino Licence, and not in reliance on any conduct of or statements, warranties or representations made to the Company or to any other person by or on behalf of the Authority or any of its servants, agents or consultants.

⁶² Inserted by Agreement dated 19 November 1993.

⁶² Inserted by Agreement dated 19 November 1993

- 33.2 Save for any statement, representation or warranty made in the Company's favour under this document or any Transaction Document, the Company acknowledges and agrees that no action lies against the Authority or any of its servants, agents or consultants and that no compensation of any kind is payable to the Company in relation to anything done or purported to be done or not done for the purposes of the establishment or operation of the Temporary Casino, Temporary Casino Complex, Melbourne Casino or Melbourne Casino Complex prior to the execution of this document.
- 33.3 Without limiting the generality of clause 33.2, the Company agrees not to take action or make any claim for compensation, damages, costs or expenses against the Authority or any of its servants, agents or consultants in relation to the condition of the Site or the Temporary Casino Site or any third party rights in relation to the Site or the Temporary Casino Site and hereby releases each of those persons from any action or claim whether or not that action or claim is known or foreseeable at the date of this document.
- 33.4 Nothing in this clause 33 limits any liability of Golder Associates Pty Ltd to the Company.

34. INDEMNITY

- 34.1 The Company indemnifies and will keep indemnified the Authority and its servants, agents and consultants in respect of all actions, claims, demands or costs of third parties arising out of or in connection with any work carried out by or on behalf of the Company pursuant to this document or relating to the Company's operations (including but not limited to the operations of the Temporary Casino Complex and the Melbourne Casino Complex) or arising out of or in connection with the construction, financing, maintenance or use of the Temporary Casino Complex or the Melbourne Casino Complex except expenses of the Authority which are covered by the Casino Supervision and Control Charge.
- 34.2 The indemnity in clause 34.1 does not apply to the extent that any actions, claims, demands or costs arise as a result of the negligence or wilful default of the Authority.

INSURANCE

35.1 The Company must:

- (a)insure and keep insured all of its Assets and Rights:
 - (i) for the risks and in the amounts set out in Schedule Five and for such other risks and amounts which the Authority may from time to time reasonably require:
 - (ii)with the interests of the State, the Authority and any Mortgagees noted by endorsement on the policy or if the Authority so directs, in the joint names of the Company and the State and the Authority for their respective rights and interests; and
 - (iii)with underwriters approved by the Authority and, if through an insurance broker, through an insurance broker approved by the Authority;

- (a) insure and keep insured all of its Assets and Rights for the following:
 - business interruption insurance (including insurance for the payment of all casino taxes) for the Melbourne Casino;
 - (ii) products and public liability insurance; and
 - (iii) real and personal property (also known as building and contents or industrial special risks) insurance (at replacement value) for the entire Melbourne Casino Complex,

and for each insurance policy the interests of the State, the Commission and any Mortgagees must be noted by endorsement on the policy or if the Commission so directs, in the joint names of the Company and the State and the Commission for their respective rights and interests;

- (b) immediately deliver the insurance policies referred to in paragraph (a) to the Authority (unless the Company is unable to do so under the terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient) and, on request, deliver certificates of currency in respect of those insurance policies;
- (c) punctually pay all premiums and sums necessary (including stamp duty) for effecting and keeping current every insurance policy and, promptly on request, hand to the Authority the receipt for any premium or sum paid;
- (d) immediately after they are effected, deliver to the Authority all variations, alterations and additions to any existing insurance policies and all additional or substitute insurance policies (unless the Company is unable to do so under the terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient); and
- (e)immediately after it becomes aware that it has occurred, notify the Authority of any occurrence which gives or might give rise to a claim or right to claim under any insurance policy.
- (e) immediately after it becomes aware that it has occurred, notify the Commission of any occurrence wholly or partly within the Melbourne Casino Complex which gives or might give rise to a claim or a right to claim under any insurance policy where the State is a party to the claim or the claim may adversely affects the State.

35.2 The Company must not:

- do or allow to be done anything which might cause any policy of insurance to be prejudiced or rendered void, voidable or unenforceable;
- (b) without the prior consent in writing of the Authority, cause, or take any steps to bring about, the cancellation of, or a material change or reduction in, the cover provided under any insurance policy;
- effect any insurance in respect of the Assets and Rights other than as specified in clause 35.1; or

- (d) make, enforce, settle or compromise a claim or do anything inconsistent with the powers or interests of the Authority.
- 35.3 Subject to the Master Security Agreement, all proceeds of insurance received by the Company as a result of any claim must be applied by the Company to rectify, remedy or repair the property involved or loss or damage which gave rise to the claim.

36. CONFIDENTIALITY

- 36.1 All documents and information provided by one party to another party under this document must be kept confidential and not disclosed to any person without the consent of the other party unless:
 - (a) the information is in the public domain;
 - (b) disclosure is required by law;
 - the disclosure is necessary for the purpose of obtaining any consent, authorisation, approval or licence from any government or public body or authority;
 - it is necessary or desirable that the disclosure be made to any taxation or fiscal authority;
 - (e) the disclosure is made on a confidential basis to the officers, employees or agents of a party or to the professional advisers of a party for the purposes of obtaining professional advice in relation to any Transaction Document or the enforcement of any Transaction Document or otherwise for the purpose of consulting those professional advisers;
 - the disclosure is made by the Company on a confidential basis to any actual or prospective financier or agent of a financier to the Company;
 - (g) the disclosure is necessary in relation to any procedure for discovery of documents or any proceedings before any court, tribunal or regulatory body; or
 - (h) the disclosure is necessary to obtain listing on the Australian Stock Exchange.
- 36.2 The obligations in clause 36.1 apply after termination of this document.
- 36.3 This Clause 36 does not apply to:
 - (a) this document;
 - (b) any document varying or amending this document after such variation or amendment takes effect;
 - (c) the Casino Licence; or
 - 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.

APPROVALS

- 37.1 The Authority in exercising any right, power, privilege or discretion conferred on it by this document must act having regard to:
 - (a) the Authority's objects as set out in Section 140 of the Casino Control Act; and
 - (b) the rights, powers, privileges and discretions conferred and the duties and obligations imposed on the Authority under the Casino Control Act.
- 37.2 Unless otherwise stated in this document, if the Company makes a written request for an approval or consent from the Authority under this document and the Authority has not responded in writing within the time specified below from receipt by the Authority of that written request, then the Authority will be taken to have given that approval or consent:
 - (a) Clauses 22.1 (c), (f), (i), (j), (k), (l), (m), (p) and (q) 20 Business Days;
 - (b) Clauses 29.1 and 29.2 10 Business Days;
 - (c) Clause 31.6 20 Business Days;
 - (d) Clauses 32.1 and 32.4 10 Business Days; 64
 - (e) Clause 35.1(a) 10 Business Days;
 - (f) Clause 36.1 10 Business Days;
 - (g) Clause 43 20 Business Days.
- 37.3 Nothing in this clause 37 shall fetter the powers, rights or obligations imposed or conferred on the Authority under any Act or regulation.

38. DAY OF PAYMENT

If any day for the payment of money under this document falls on a day which is not a Business Day, the payment will be due on the next day which is a Business Day.

NOTICES

- 39.1 A notice or approval required or to be given under this document must be:
 - (a) in writing;
 - (b) delivered by hand or served by prepaid post or facsimile to the recipient at its address or facsimile number appearing in this clause or such other address or facsimile number as the recipient may have notified to the other party:
 - "(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"

(i)in the case of the Authority:

Chairman
Victorian Casino and Gaming Authority
Level 27, 459 Collins Street
MELBOURNE VIC 3000

Facsimile: (03) 621 1803

famended in accordance with this clause to:

Director of Gaming and Betting
Victorian Casino and Gaming Authority
Level 1, Building D
World Trade Centre
MELBOURNE VIC 3005

Facsimile: (03) 9628 73001

(ii)in the ease of the Company:

Lloyd J Williams Chief Executive Officer Crown Limited 311 Glenferrie Road MALVERN VIC 3144

Faesimile: (03) 823 6105

famended in accordance with this clause to:

Mr Lloyd Williams
Chairman and Chief Executive Officer
Crown Limited
Level 1
99 Queensbridge Street
SOUTHBANK VIC 3006

Facsimile: (03) 9685 4350/

- 39.2 A notice or approval given in accordance with clause 39.1 is taken to be received:
 - if hand delivered, on the day of delivery if delivered before 4.00 pm on a Business Day and otherwise on the Business Day next following;
 - (b) if sent by prepaid post, 3 days after the date of posting; or
 - (c) if sent by facsimile, on the day on which the message confirmation is received if received before 4.00 pm on a Business Day and otherwise on the Business Day next following.
- 39.3 The provisions of clause 39 are in addition to any other mode of service permitted by law.

40. COSTS AND STAMP DUTY

- 40.1 Each party must pay its own costs of preparing and executing this document.
- 40.2 The Company must pay all stamp duty on this document and on any document executed to give effect to this document.

41. NO WAIVER

A failure of a party at any time to require full or part performance of any obligations under this document will not affect in any way the rights of that party to require that performance subsequently.

42. GOVERNING LAW

- 42.1 This document is governed by the laws applying in Victoria.
- 42.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and courts entitled to hear appeals from those courts.

43. ASSIGNMENT

- 43.1 The Company must not assign or attempt to assign or otherwise deal with this document or any right under this document without the prior written approval of the Authority other than pursuant to a Permitted Encumbrance.
- 43.2 The Authority may assign, transfer or dispose of its rights under this document or any other Transaction Document:
 - to the State or to any department or agency of the government of the State or statutory authority or corporation which has taken over the objects and functions of the Authority under the Casino Control Act; or
 - (b) with the approval in writing of the Company to any other person, such approval not to be unreasonably withheld;

provided that the assignee enters into an agreement with the Company agreeing to be bound by the provisions of this document and each other Transaction Document to which the Authority is a party.

44. FURTHER ASSURANCES

Each party must do or cause to be done anything necessary or desirable to give effect to this document, and will refrain from doing anything which might prevent full effect being given to this document.

45. COUNTERPARTS

- 45.1 This document may be executed in any number of counterparts.
- 45.2 All counterparts taken together will be deemed to constitute the one document.

46. SEVERABILITY

- 46.1 The parties agree that a construction of this document which results in all provisions being enforceable is to be preferred to a construction which does not so result.
- 46.2 If, despite the application of clause 46.1, a provision of this document is illegal or unenforceable:

- if the provision would not be illegal or unenforceable if a word or words were omitted, that word or those words are severed; and
- (b) in any other case, the whole provision is severed,

and the remainder of this document continues to have full force and effect.

46.3 Clause 46.2 does not apply where its application alters the basic nature of this document or is contrary to public policy.

47. INTERPRETATION

- 47.1 In this document, unless the context otherwise requires or the contrary intention appears:
 - the singular includes the plural and vice versa and words importing a gender include other genders;
 - (b) terms importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies;
 - (c) a reference to any legislation, statutory instrument or regulation is construed in accordance with the Acts Interpretation Act 1901 (Cth) or the equivalent State legislation, as applicable, and includes any re-enactment or amendment to that legislation, statutory instrument or regulation;
 - (d) other grammatical forms of defined words or phrases have corresponding meanings;
 - (e) a reference to a clause, paragraph, schedule or annexure is a reference to a clause or paragraph of or schedule or annexure to this document and a reference to this document includes any schedules and annexures;
 - (f) where a party comprises two or more persons the provisions of this document binding that party bind those persons jointly and severally;
 - (g) Unless defined in this document, the Casino Control Act or the Managemen' 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;
 - (g) terms defined in the Corporations Law as at the date of this document have the meanings given to them in the Corporations Law at that date;
 - (h) 'party' means a party to this document;
 - a reference to a party to this document or any other document or agreement includes its successors and permitted assigns;
 - a reference to a document or agreement, including this document, includes a reference to that document or agreement as novated, altered or replaced from time to time;
 - (k) a reference to '\$A', 'dollar', 'AUD' or '\$' is a reference to Australian currency;

- a reference to writing includes typewriting, printing, lithography, photography and any other method of representing or reproducing words, figures or symbols in a permanent and visible form; and
- a reference to a specific time for the performance of an obligation is a reference to that time in the State;
- 47.2 In this document headings are for ease of reference only and do not affect the construction of this document.
- 47.3 The Authority is providing the undertaking in clauses 26.2 and 26.3 with the approval of the Minister in accordance with section 14 of the Casino Control Act.
- 47.4 The Authority in entering into this document does so on behalf of the State pursuant to the authority granted to the Authority under section 142 of the Casino Control Act.
- 47.5 If any ambiguity, inconsistency or conflict exists or arises between this document and the Master Security Agreement, the provisions of the Master Security Agreement take precedence and apply to resolve that ambiguity, inconsistency or conflict.
- 47.6 The Company and the Authority acknowledge that, except as expressly provided for in this document:
 - (a) nothing contained in or implied by this document prejudices or affects, or is intended in any way to impose any obligation or restriction on the Authority which conflicts with the obligations and duties of, and restrictions on, the Authority under the Relevant Legislation; and
 - (b) if there is any conflict between the provisions of this document or of any Transaction Document and the provisions of the Relevant Legislation, the provisions of the Relevant Legislation prevail.

48. GENERAL OBLIGATIONS

- 48.1 The Company must:
 - (a) maintain its corporate existence;
 - (b) comply with all laws applicable to the matters arising under this document from time to time in force including, without limitation, the Gaming Machine Control Act, and all mandatory requirements of any Public Authority;
 - (c) obtain and renew at the proper times and maintain all Authorisations required:
 - (i) for the Company to perform its obligations under this document;
 - for the Company to perform its obligations under each Transaction Document; and
 - (d) to allow this document and each Transaction Document to be enforced against it;

- (e) obtain and renew at the proper times and maintain all licences and other Authorisations required or advisable or relied on for or in connection with the carrying on of the Company's business;
- (f) comply with the terms and conditions of each Lease to which it is a party where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Temporary Casino or the Melbourne Casino;
- (g) comply with its payment obligations under any agreement for the purchase of property where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Temporary Casino or the Melbourne Casino; and
- (h) protect the Casino Assets and at the Company's expense prosecute or defend all legal proceedings that are, or the defence of which is, necessary or advisable for the protection of the Casino Assets to the extent appropriate in accordance with prudent business practice; and
- (i) carry out all work reasonably and properly required by any Public Authority in relation to the Assets and Rights where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Melbourne Casino on the Temporary Casino.
- 48.2 The Company must not, without the prior consent in writing of the State:
 - (a) Deal with or Dispose of any of the Casino Assets other than by way of maintenance, repair or replacement;
 - (b) Deal with or Dispose of any of the Casino Assets other than in the ordinary course of the Company's business;
 - execute, create or permit to subsist any Encumbrance over or affecting the Casino Assets other than a Permitted Encumbrance;
 - (d) pull down, alter, extend or remove any building, improvement or fixture forming part of the Casino Assets where to do so would materially adversely affect the Casino Assets or the operation of the Melbourne Casino or the Temporary Casino;
 - take on or under a Lease, or acquire for consideration, any asset other than in the ordinary course of the Company's business;
 - (f) declare or pay a dividend if a demand has been properly made on the Company under this document or any Transaction Document and has not been satisfied in full; or
 - (g) do anything or allow anything to be done in derogation of the rights of the Authority or any other party under any Transaction Document;

except to the extent permitted by clause 29.

SCHEDULE ONE

CASINO CONTROL ACT 1991 (VIC)

CASINO LICENCE

VICTORIAN CASINO CONTROL AUTHORITY ('Authority') under Part 2 of the Casino Control Act 1991 (Vic) ('Casino Control Act') grants to CROWN CASINO LTD ACN 006 973 262 with its registered office at Hudson Conway House, 311 Glenferrie Road, Malvern, Victoria ('Company') the right to conduct and play games and use gaming equipment in the Casino subject to the provisions of the Casino Control Act and the conditions set out in this licence.

CONDITIONS

1. Commencement

This licence comes into force on finsert commencement date].

2. Duration

This licence ceases to have effect on [date to be determined], unless sooner cancelled or surrendered under the Casino Control Act.

3. Location and Boundaries - Temporary Casino

- 1 The Temporary Casino must be located within the Temporary Casino Complex.
- 2 The boundaries of the Temporary Casino within the Temporary Casino Complex must be those identified in the Drawings [specify reference] or as otherwise approved by the Authority.

4. Location and Boundaries - Melbourne Casino

- 1 The Melbourne Casino must be located within the Melbourne Casino Complex.
- 2 The boundaries of the Melbourne Casino within the Melbourne Casino Complex must be those identified in the Drawings [specify reference] or as otherwise approved by the Authority.

5. Conducting Temporary Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Temporary Casino or open the Temporary Casino to the public for business or otherwise:

- until the Temporary Casino has been Completed in accordance with the provisions of the Management Agreement; nor
- (b) after the Melbourne Casino is opened to the public.

6. Conducting Melbourne Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Melbourne Casino or open the Melbourne Casino to the

public for business or otherwise until the Melbourne Casino has been Completed in accordance with the provisions of the Management Agreement.

7. Gaming Equipment - Temporary Casino

The Temporary Casino:

- (a) must have not more than 130 gaming tables in operation while the Temporary Casino is open for business; and
- (b) must have not more than 1300 gaming machines in operation while the Temporary Casino is open for business.

8. Gaming Equipment - Melbourne Casino

The Melbourne Casino:

- (a) must have not less than 150 and not more than 200 gaming tables in operation while the Melbourne Casino is open for business; and
- (b) must have not more than 2,500 gaming machines in operation while the Melbourne Casino is open for business.

Mortgage etc of Casino Licence

The Company must not:

- (a) mortgage, charge or otherwise encumber this licence; or
- (b) transfer, assign or otherwise deal with this licence,

except in accordance with the terms and conditions of the Casino Agreement and the Master Security Agreement.

10. Amendment of Licence Conditions

Notwithstanding sections 16 and 17 of the Casino Control Act, the Authority will not amend the conditions of this licence without the prior written approval of the Company except as disciplinary action under section 20 of the Casino Control Act.

11. Breach of Licence

Clause 31.2 of the Casino Agreement and clause 25.2 of the Management Agreement set out events the occurrence of which constitute a contravention of this licence and which, subject to those clauses and the Master Security Agreement, enable the Authority to cancel, suspend or vary the terms of this licence pursuant to section 20 of the Casino Control Act.

12. Definitions and Interpretation

In these conditions, unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Temporary Casino Complex Development Proposals or the Melbourne Casino Complex Development Proposals (as the case may be) to be constructed on or located within the Temporary Casino Site or the Site, including a hotel, restaurant, retail, recreation, entertainment and carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas;

'Casino' means either the Temporary Casino or the Melbourne Casino, as the case may be;

'Casino Agreement' means the agreement dated 1993 between the Authority and the Company;

'Completed' has the same meaning as in the Management Agreement;

'Drawings' means the plans, designs and working drawings relating to the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) provided by the Company to the Authority and described in Schedule Two of the Management Agreement;

'Management Agreement' means the agreement dated 1993 between the Minister, acting for and on behalf of the State, and the Company pursuant to section 15 of the Casino Control Act;

'Master Security Agreement' means the agreement of even date between the State, the Authority, the Company, National Australia Bank Limited as agent for the financiers to the Company and the Sponsors;

'Melbourne Casino' means those areas identified in the Drawings of the Melbourne Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on:

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of the Management Agreement and Casino Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Minister' means the Minister for the time being administering the Casino Control Act;

'Site' has the same meaning as in the Management Agreement;

'State' means the State of Victoria:

'Temporary Casino' means those areas identified in the Drawings for the Temporary Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of the Management Agreement and the Casino Agreement;

'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification; and

'Temporary Casino Site' has the same meaning as in the Management Agreement.

- 2 In this licence, unless the context otherwise requires or the contrary intention appears:
- a reference in this licence to a party to an agreement or document includes the party's successors and permitted substitutes or assigns;
- a reference in this licence to an agreement or document is to the agreement or document as amended, novated, supplemented or replaced from time to time;
 and
- (c) a reference in this licence to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

1993.

THE COMMON SEAL of VICTOR	IAN)
CASINO CONTROL AUTHORITY	()
is affixed in accordance with)
the directions of the Members)
pursuant to a resolution dated)
1993)
Chairman	Chief Executive Officer

DATED

SCHEDULE TWO

COMPLEMENTARY AGREEMENTS

- the Founding Shareholders' Agreement;
- the Development Agreement;
- . the Construction Agreement;
- the Finance Documents;
- . the Operations Agreement;
- the Underwriting Agreement;
- the Guarantee and Indemnity for Development Agreement;
- the Note Agreement;65
- the Trust Deed;66
- the Note Agreement (Series 2); and 67
- the Trust Deed (Series 2).68

⁶⁵ Inserted by Agreement dated 7 March 1995.

Inserted by Agreement dated 7 March 1995.

⁶⁷ Inserted by Agreement dated 8 May 1997.

⁶⁸ Inserted by Agreement dated 8 May 1997.

SCHEDULE THREE

56

WARRANTIES OF THE COMPANY

- The Company has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation, with full power and authority to enter into this document and perform its obligations under this document.
- 2. This document has been duly authorised, executed and delivered by the Company and constitutes (except to the extent limited by equitable principles, laws relating to penalties and laws affecting creditors' rights generally) a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, and no other proceedings on the part of the Company are necessary to authorise this document and the completion of the transactions contemplated under this document.
- The execution and delivery by the Company of this document and the performance by the Company of its obligations under this document in accordance with its terms do not:
- (a) conflict with the constitution or by-laws of the Company;
- (b) constitute a violation of or default under any agreements or arrangements to which the Company is a party;
- (c) except as provided in this document, cause the creation of any Encumbrance upon any of the property of the Company; or
- (d) contravene any law.
- 4. A Receiver has not been appointed to the whole or any part of the assets or undertaking of the Company or any Related Party and no such appointment has been threatened or is envisaged by the Company.
- Neither the Company nor any Related Party is in liquidation or administration and no order, petition, application, proceedings, meeting or resolution has been made, presented, brought, called or passed for the purposes of liquidating the Company or any Related Party or placing the Company or any Related Party under or in administration.
- Neither the Company nor any Related Party is insolvent within the meaning of section 95A of the Corporations Law or otherwise and there is no unfulfilled or unsatisfied judgment or court order outstanding against the Company or any Related Party.
- 7. As at 16 August, 1993 the unaudited accounts of the Company for the period to 30 June 1993 have been prepared in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date and as at the Licensing Date the audited accounts of the Company for the period to 30 June 1993 have been prepared

in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date.

- All information provided in writing by or on behalf of the Company to the Authority was when given in all material respects true and accurate and not misleading by omission.
- As at the Licensing Date, the Company will have an issued capital of at least \$350,000,000 comprising 350,000,000 fully paid Shares issued as follows:

Sponsors and Founding Shareholders	140,000,000
Institutional Equity	210,000,000
	350,000,000

10. Hudson Conway Limited ACN 009 556 629 and CUB have given notice to the Treasurer of their proposed interest in the Company in accordance with the provisions of the Foreign Acquisitions and Takeovers Act 1975 (C'th) and the Treasurer has informed them that there are no objections to Hudson Conway Limited and CUB acquiring a substantial shareholding in the Company.

SCHEDULE FOUR

QUARTERLY REPORT TO AUTHORITY

The quarterly report to the Authority will consist of the following items:

- profit and loss account and cashflow statements comparing budget against actual for the year to date
- balance sheet at the last days of March, September and December
- budgeted profit and loss and cashflow statements to end of current financial year.

SCHEDULE FIVE

INSURANCES

See Annexure A. 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.	30 days after the minutes are confirmed.
	A copy of the papers prepared for and considered by the Company's Audit Committee and the Company's Compliance Committee	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.
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 Corporations Act (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

	Information to be Submitted	Time for Submission of Information
		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)."

EXECUTED as an agreement.

THE COMMON SEAL of VICTORIAN)	
CASINO CONTROL AUTHORITY)	
as then known] is affixed in)	
accordance with the directions)	Common Seal
of the Members pursuant to a)	
resolution dated 5 September)	
1993)	
J.R. Richards		P.J. Connolly
J.R. Richards		P.J. Connony
Chairman		Chief Executive Office
THE COMMON SEAL of)	
CROWN CASINO LTD. [as then	1	
known] is affixed in	5	
accordance with its articles)	Common Seal
of association in the presence)	
of)	
Peter Jonson		B. Hamilton
n boannatananan		and the same of th
Signature of Secretary/Director	Sig	nature of Director
Peter Jonson		Barry J. Hamilton
Name of Director		Name of Director
(please print)		(please print)

DATED 21 SEPTEMBER 1993

VICTORIAN CASINO AND GAMING AUTHORITY ('Authority')

CROWN LIMITED ACN 006 973 262 ('Company')

MELBOURNE CASINO PROJECT

CASINO AGREEMENT

[CONFORMED COPY - AS VARIED BY VARIATION AGREEMENTS 1 TO 8 AND THE MASTER SECURITY AGREEMENT]

MINTER ELLISON

Lawyers 40 Market Street MELBOURNE VIC 3000 DX 204 MELBOURNE

Telephone (03) 9229 2000 Facsimile (03) 9229 2666

TABLE OF CONTENTS

	IENT	

1.	DIVISION INTO PARTS	,1
PAI	RT 1 – PRELIMINARY	2
2	DEFINITIONS	2
2.	COMMENCEMENT OF CERTAIN PROVISIONS	12
4.	VARIATION	
5.	CONDITIONS PRECEDENT	12
PAI	RT 2 - DEVELOPMENT AND COMPLETION	13
6.	DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY	13
7.	MELBOURNE CASINO WORKS	15
8.	SAFETY PROCEDURES	
9.	VARIATIONS	
10.	APPROVAL BY THE AUTHORITY	
11.	TIME FOR APPROVAL	
12.	DIRECTOR OF CASINO SURVEILLANCE	18
13.	PROVISION OF FACILITIES FOR INSPECTORS	
14.	SITE ACCESS	
15.	DECTIFICATION AND SUSPENSION OF THE WORKS IN	
	RELATION TO THE MELBOURNE CASINO	20
16.	PROJECT ADVISORY MEETINGS	20
17.	MULTIPLE COPIES OF PLANS	
18.	DEVELOPMENT OF THE TEMPORARY CASINO	21
PAI	RT 3 – COMPLETION	21
19.	OPENING OF THE MELBOURNE CASINO	21
	COMPLETION	
PAI	RT 4 - CORPORATE STRUCTURE AND RELATED MATTER	RS22
21.	WARRANTIES OF THE COMPANY	22
22.	CONDITIONS RELATING TO COMPANY STRUCTURE	
23.	INSPECTION OF RECORDS	
24.	ATTENDANCE AT COMPANY MEETINGS	27
25.	DISCLOSURE	

PAI	RT 5 - GRANT OF THE CASINO LICENCE2	8
26.	GRANT OF CASINO LICENCE2	8
27.	GAMES3	0
28.	CASINO OPERATING PRACTICES3	1
PAI	RT 6 - ENCUMBRANCES AND ASSIGNMENTS3	1
29.	ENCUMBRANCES3	
30.	PERMITTED ENCUMBRANCES	2
PAI	RT 7 – TERMINATION	3
31.	TERMINATION OF THIS DOCUMENT	3
PAI	RT 8 - COMPLEMENTARY AGREEMENTS3	6
32.	COMPLEMENTARY AGREEMENTS	6
PAI	RT 9 – GENERAL	7
33.	COMPANY RELIES ON OWN JUDGMENT3	7
34.	INDEMNITY3	8
35.	INSURANCE3	8
36.	CONFIDENTIALITY3	9
37.	APPROVALS4	0
38.	DAY OF PAYMENT4	
39.	NOTICES4	1
40.	COSTS AND STAMP DUTY4	2
41.	NO WAIVER4	
42.	GOVERNING LAW4	2
43.	ASSIGNMENT4	2
44.	FURTHER ASSURANCES4	3
45.	COUNTERPARTS4	3
46.	SEVERABILITY4	3
47.	INTERPRETATION4	3
48.	GENERAL OBLIGATIONS4	5
SCI	HEDULE ONE - CASINO LICENCE4	7
SCI	HEDULE TWO - COMPLEMENTARY AGREEMENTS5	1
	HEDULE THREE - WARRANTIES OF THE COMPANY5	
SCI	HEDULE FOUR - QUARTERLY REPORT TO AUTHORITY5	4
	IEDULE FIVE - INSURANCES5	

Maddock Lonie & Chisholm

LAWYERS

1

DATED

21 SEPTEMBER

1993

VICTORIAN CASINO AND GAMING AUTHORITY

- and -

CROWN LIMITED ACN 006 973 262

MELBOURNE CASINO PROJECT CASINO AGREEMENT

[Conformed Copy for reference only – As varied by Variation Agreements 1 to 8 and the Master Security Agreement]

A MINERIA CIP

adv@c asia

ADELADO, COLOMIO, DUBAL HONG KONG, JAKARTA, KUALA LEMPUR, MANILA, MELBOURNE, MUMBAL, NEW DILISE, PERTH, SINGAPORE, STEINEY, TIANEN 140 WILLIAM STREET MELBOURNE VICTORIA AUSTRALIA 3000

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DX 259 MELBOURNE

CASINO CONTROL ACT 1991 (VIC)

CASINO LICENCE

VICTORIAN CASINO CONTROL AUTHORITY ('Authority') under Part 2 of the Casino Control Act 1991 (Vic) ('Casino Control Act') grants to CROWN CASINO LTD ACN 006 973 262 with its registered office at Hudson Conway House, 311 Glenferrie Road, Malvern, Victoria ('Company') the right to conduct and play games and use gaming equipment in the Casino subject to the provisions of the Casino Control Act and the conditions set out in this licence.

CONDITIONS

1. Commencement

This licence comes into force on 19 November 1993.

2. Duration

This licence ceases to have effect on 18 November 2033, unless sooner cancelled or surrendered under the Casino Control Act.

3. Location and Boundaries - Temporary Casino

- The Temporary Casino must be located within the Temporary Casino Complex.
- 3.2 The boundaries of the Temporary Casino will be the boundaries of Temporary Casino Complex or other such boundaries approved by the Authority.

4. Location and Boundaries - Melbourne Casino

- The Melbourne Casino must be located within the Site.
- 4. 2 The boundaries of the Melbourne Casino will be the same as the boundaries of the Site for the period from the grant of this licence until the earlier of:
 - the repeal of paragraph (b) of the definition of Melbourne Casino site in section 128A(1) of the Casino Control Act; and
 - (b) completion of the Melbourne Casino Complex.
- 4.3 The boundaries of the Melbourne Casino following the first to occur of either of the events referred to in paragraphs (a) and (b) of clause 4.2 will be:
 - (a) the boundaries of the shaded areas in drawing nos SK105 and SK106 dated 17.11.93 and entitled Casino Gaming Areas RL 2.4 and RL 5.7 respectively as prepared by Bates Smart McCutcheon, Perrott Lyon Mathieson and Daryl Jackson Pty Ltd and attached to this licence; or

(b) Such other boundaries approved by the Authority.

5. Conducting Temporary Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Temporary Casino or open the Temporary Casino to the public for business or otherwise:

- until the Temporary Casino has been Completed in accordance with the provisions of the Management Agreement; nor
- (b) after the Melbourne Casino is opened to the public.

6. Conducting Melbourne Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Melbourne Casino or open the Melbourne Casino to the public for business or otherwise until the Melbourne Casino has been Completed in accordance with the provisions of the Management Agreement.

7. Gaming Equipment - Temporary Casino

The Temporary Casino:

- (a) must have not more than 200 gaming tables in operation while the Temporary Casino is open for business; and
- (b) must have not more than 1300 gaming machines in operation while the Temporary Casino is open for business.

8. Gaming Equipment - Melbourne Casino

The Melbourne Casino:

- (a) must have not less than 150 and not more than 200 or, if the Second Deed of Variation to the Management Agreement is ratified by the Parliament of Victoria and comes into operation, not more than 350 gaming tables in operation while the Melbourne Casino is open for business²; and
- (b) must have not more than 2,500 gaming machines in operation while the Melbourne Casino is open for business.

Varied by agreement on 4 November 1994 to increase the number of gaming tables from 130 to 180 and varied again by agreement on 12 October 1995 to increase the number of gaming tables from 180 to 200.

Varied by agreement on 12 October 1995 to increase the number of gaming tables from 250 to 350 if the Second Deed of Variation of the Management Agreement is ratified by the Parliament.

9. Mortgage etc of Casino Licence

The Company must not:

- (a) mortgage, charge or otherwise encumber this licence; or
- (b) transfer, assign or otherwise deal with this licence,

except in accordance with the terms and conditions of the Casino Agreement and the Master Security Agreement.

10. Amendment of Licence Conditions

Notwithstanding sections 16 and 17 of the Casino Control Act, the Authority will not amend the conditions of this licence without the prior written approval of the Company except as disciplinary action under section 20 of the Casino Control Act.

11. Breach of Licence

Clause 31.2 of the Casino Agreement and clause 25.2 of the Management Agreement set out events the occurrence of which constitute a contravention of this licence and which, subject to those clauses and the Master Security Agreement, enable the Authority to cancel, suspend or vary the terms of this licence pursuant to section 20 of the Casino Control Act.

12. Definitions and Interpretation

12.1 In these conditions, unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Temporary Casino Complex Development Proposals or the Melbourne Casino Complex Development Proposals (as the case may be) to be constructed on or located within the Temporary Casino Site or the Site, including a hotel, restaurant, retail, recreation, entertainment and carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas;

'Casino' means either the Temporary Casino or the Melbourne Casino, as the case may be;

'Casino Agreement' means the agreement dated 21 September 1993 between the Authority and the Company;

'Completed' has the same meaning as in the Management Agreement;

- 'Management Agreement' means the agreement dated 20 September 1993 between the Minister, acting for and on behalf of the State, and the Company pursuant to section 15 of the Casino Control Act;
- 'Master Security Agreement' means the agreement dated 21 September 1993 between the State, the Authority, the Company, National Australia Bank Limited as agent for the financiers to the Company and the Sponsors;
- 'Melbourne Casino' means those areas within the boundaries described in clauses 4.2 or 4.3 (as the case may be) and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;
- 'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of the Management Agreement and Casino Agreement;
- 'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;
- 'Minister' means the Minister for the time being administering the Casino Control Act;
- 'Second Deed of Variation to the Management Agreement' means the second agreement to be entered into between the Minister on behalf of the State and the Company which varies the Management Agreement in a manner mutually agreed upon by those parties³;
- 'Site' means the land described in the plan numbered C. P.112471A lodged in the Central Plan Office, Survey and Mapping, Victoria, being a plan of survey signed by the Surveyor General;
- 'State' means the State of Victoria;
- 'Temporary Casino' means those areas within the boundaries described in clause 3.2 and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;
- 'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of the Management Agreement and the Casino Agreement;
- 'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment

Inserted by agreement on 12 October 1995.

of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification; and

'Temporary Casino Site' has the same meaning as in the Management Agreement.

- 12. 2 In this licence, unless the context otherwise requires or the contrary intention appears:
 - (a) a reference in this licence to a party to an agreement or document includes the party's successors and permitted substitutes or assigns;
 - (b) a reference in this licence to an agreement or document is to the agreement or document as amended, novated, supplemented or replaced from time to time; and
 - (c) a reference in this licence to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

DATED 19 November 1993.

THE COMMON SEAL of VICTORIAN)
CASINO CONTROL AUTHORITY)
is affixed in accordance with)
the directions of the Members)
pursuant to a resolution dated 16)
November 1993)

John Richards
Chairman Chief Executive Officer

DRAFT

[On Crown letterhead]

The Hon John Pandazopoulos MP Minister for Gaming Level 15, 55 Collins Street MELBOURNE VIC 3000

Dear Mr Pandazopoulos

Variation to Casino Agreement

I refer to the letter to you from James Packer, Chairman, Publishing and Broadcasting Limited on this subject.

In consideration of the Victorian Commission for Gambling Regulation (the "Commission") entering into the proposed Ninth Variation Agreement of the Casino Agreement and in consideration of the further undertakings received from you, Crown Limited undertakes to enter into the attached memorandum of understanding agreed with Tourism Victoria.

In this letter, except as otherwise stated, expressions have the same meaning as in the Casino Agreement.

I look forward to receipt of written undertakings in terms satisfactory to Crown Limited in exchange for the provision of this letter.

Yours sincerely

Rowen Craigle Chief Executive Officer Mr James Packer Executive Chairman Publishing and Broadcasting Limited 2nd Floor, 54 Park Street SYDNEY NSW 2000

Dear Mr Packer

Ninth Variation to the Casino Agreement between Crown Limited and the Victorian Commission for Gambling Regulation

I refer to your letter dated [] concerning negotiations between Crown Limited ("Crown") and the Victorian Commission for Gambling Regulation regarding the proposed Ninth Variation Agreement to the Casino Agreement between Crown and the Commission ("the Casino Agreement").

I note the undertakings contained in your letter, namely that Publishing and Broadcasting Limited will:

- establish and maintain the headquarters of its gaming business in Melbourne;
 and
- provide appropriate support and resources to Crown to enable it to meet the following undertakings given by Crown to the Commission:
 - (a) that Crown will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia; and
 - (b) that Crown will ensure that Publishing and Broadcasting Limited maintains the Melbourne Casino as the flagship casino of the Publishing and Broadcasting Limited gaming business in Australia.

I also note that the Company's obligations are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino).

I confirm that, in exchange for these undertakings, I will put before Cabinet a recommendation that a bill be drafted and presented to the Parliament which would:

(a) amend section 25 of the Casino Control Act 1991 to:

- replace the existing requirement that the Commission conduct a review of the casino operator and casino licence at intervals not exceeding three years with a requirement that such a review be conducted at intervals not exceeding five years; and
- increase the scope of the review so as to include a review of Crown's obligations under the Casino Control Act 1991, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the Transaction Documents; and
- (b) amend the Casino (Management Agreement) Act 1993 to delete clause 41.2(e) of Schedule 1 of that Act.

Yours sincerely

JOHN PANDAZOPOULOS MP Minister for Gaming Mr James Packer Executive Chairman Publishing and Broadcasting Limited 2nd Floor, 54 Park Street SYDNEY NSW 2000

Dear Mr Packer

Ninth Variation to the Casino Agreement between Crown Limited and the Victorian Commission for Gambling Regulation

I refer to your letter dated [] concerning negotiations between Crown Limited ("Crown") and the Victorian Commission for Gambling Regulation regarding the proposed Ninth Variation Agreement to the Casino Agreement between Crown and the Commission ("the Casino Agreement").

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 and
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 - (a) that Crown will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia; and
 - (b) that Crown will ensure that Publishing and Broadcasting Limited maintains the Melbourne Casino as the flagship casino of the Publishing and Broadcasting Limited gaming business in Australia.

I also note that the Company's obligations are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino).

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- replace the existing requirement that the Commission conduct a review of the casino operator and casino licence at intervals not exceeding three years with a requirement that such a review be conducted at intervals not exceeding five years; and
- increase the scope of the review so as to include a review of Crown's obligations under the Casino Control Act 1991, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the Transaction Documents; and
- (b) amend the Casino (Management Agreement) Act 1993 to delete clause 41.2(e) of Schedule 1 of that Act.

Yours sincerely

JOHN PANDAZOPOULOS MP Minister for Gaming

DRAFT

[On PBL letterhead]

The Hon John Pandazopoulos MP Minister for Gaming Level 15, 55 Collins Street MELBOURNE VIC 3000

Dear Mr Pandazopoulos

Ninth Variation to the Casino Agreement with Crown Limited

I refer to the negotiations between Crown Limited ("Crown") and the Victorian Commission for Gambling Regulation (the "Commission") regarding the proposed Ninth Variation Agreement to the Casino Agreement dated 21 September 1993 between Crown and the Commission (the "Casino Agreement").

In consideration of the Commission entering into the Ninth Variation Agreement, and in consideration of certain undertakings to be given by you (referred to below), Publishing and Broadcasting Limited ("PBL"), as the parent company of Crown, is prepared to give the following undertakings:

- PBL will establish and maintain the headquarters of its gaming business in Melbourne.
- Crown has given undertakings which have been inserted into the Casino Agreement by the Ninth Deed of Variation as follows:
 - (a) Crown will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia; and
 - (b) Crown will ensure that PBL maintains the Melbourne Casino as the flagship casino of the PBL gaming business in Australia.

PBL will provide Crown with appropriate support and resources to enable it to meet these undertakings.

These undertakings are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino).

In these undertakings:

- (i) "gaming business" means the business of operating a casino requiring a casino licence under Victorian law or equivalent interstate laws and the business of operating gaming machines requiring a gaming operator's licence under Victorian law or equivalent interstate laws; and
- (ii) a statute, regulation or action will be deemed to have been "specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in comparison to its effects on other Victorian businesses, employers or taxpayers.

The provision by PBL of the above undertakings is also subject to and conditional upon you making a recommendation to cabinet for the following legislative amendments:

- A. Amend the requirement in the Casino Control Act 1991 (Vic) for a Triennial Review of the Casino Operator and Casino Licence so that the review is undertaken at intervals not exceeding every five years. The scope of that review is to be increased so as to include a review of Crown's obligations under the Casino Control Act 1991 (Vic), the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the Transaction Documents; and
- B. The deletion of clause 41.2(e) in Schedule 1 of the Casino (Management Agreement) Act 1993.

If the amendments referred to in paragraphs A and B above are not passed by State parliament and in operation by 30 June 2005, then PBL reserves the right to withdraw and renegotiate the undertakings.

In this letter, except as otherwise stated, expressions used have the same meaning as in the Casino Agreement.

I look forward to receipt of written undertakings in terms satisfactory to Publishing and Broadcasting Limited in exchange for the provision of this letter.

Yours sincerely

The Hon John Pandazopoulos MP Minister for Gaming and Racing Page 3 15 October 2004

James Packer Executive Chairman

DRAFT

[On PBL letterhead]

The Hon John Pandazopoulos MP Minister for Gaming Level 15, 55 Collins Street MELBOURNE VIC 3000

Dear Mr Pandazopoulos

Ninth Variation to the Casino Agreement with Crown Limited

I refer to the negotiations between Crown Limited ("Crown") and the Victorian Commission for Gambling Regulation (the "Commission") regarding the proposed Ninth Variation Agreement to the Casino Agreement dated 21 September 1993 between Crown and the Commission (the "Casino Agreement").

In consideration of the Commission entering into the Ninth Variation Agreement, and in consideration of certain undertakings to be given by you (referred to below), Publishing and Broadcasting Limited ("PBL"), as the parent company of Crown, is prepared to give the following undertakings:

- PBL will establish and maintain the headquarters of its gaming business in Melbourne.
- Crown has given undertakings which have been inserted into the Casino Agreement by the Ninth Deed of Variation as follows:
 - (a) Crown will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia; and
 - (b) Crown will ensure that PBL maintains the Melbourne Casino as the flagship casino of the PBL gaming business in Australia.

PBL will provide Crown with appropriate support and resources to enable it to meet these undertakings.

These undertakings are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino).

In these undertakings:

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- (i) "gaming business" means the business of operating a casino requiring a casino licence under Victorian law or equivalent interstate laws and the business of operating gaming machines requiring a gaming operator's licence under Victorian law or equivalent interstate laws; and
- a statute, regulation or action will be deemed to have been "specifically intended to
 affect the casino business conducted at the Melbourne Casino or the Victorian
 gaming industry (inclusive of the casino business conducted at the Melbourne
 Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in comparison to its effects on other Victorian businesses, employers or taxpayers.

The provision by PBL of the above undertakings is also subject to and conditional upon you making a recommendation to cabinet for the following legislative amendments:

- A. Amend the requirement in the Casino Control Act 1991 (Vic) for a Triennial Review of the Casino Operator and Casino Licence so that the review is undertaken at intervals not exceeding every five years. The scope of that review is to be increased so as to include a review of Crown's obligations under the Casino Control Act 1991 (Vic), the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the Transaction Documents; and
- B. The deletion of clause 41.2(e) in Schedule 1 of the Casino (Management Agreement) Act 1993.

If the amendments referred to in paragraphs A and B above are not passed by State parliament and in operation by 30 June 2005, then PBL reserves the right to withdraw and renegotiate the undertakings.

In this letter, except as otherwise stated, expressions used have the same meaning as in the Casino Agreement.

I look forward to receipt of written undertakings in terms satisfactory to Publishing and Broadcasting Limited in exchange for the provision of this letter.

Yours sincerely

The Hon John Pandazopoulos MP Minister for Gaming and Racing Page 3 15 October 2004

James Packer Executive Chairman

Ministerial Brief - Minister for Gaming

		Cover Sheet			
Subject:	NINTH VARIA AGREEMENT	NINTH VARIATION TO THE CASINO AGREEMENT		DOJ File: MB No:	
		The Minister for Ga	ming		
	Name:	Position:	Extn:	Signature:	Date:
Author	Cate Carr	Solicitor	13458		
Supported by:	Sylvia Grobtuch	Director, Legal and Legislation	13152		
Supported by:	Peter Cohen	Executive Commissioner	13118		
		t Attachment 1; and			
2.	the Eighth Deed of	Variation to the Manageme	ent Agree	ment at Attack	nment 2,
					Approved [
					Not Approved
В	y the Minister for	Gaming;			
	Approved	0			

JOHN PANDAZOPOULOS MP Minister for Gaming Date:

Ministerial Brief - Minister for Gaming

Subject: NINTH VARIATION TO THE CASINO AGREEMENT

PURPOSE:

 To obtain your signature on two documents that are required as part of the agreement with Crown Limited to vary the Casino Agreement.

NINTH VARIATION AGREEMENT

2. As part of the package of matters that has been agreed between the Government, the Commission, Crown Limited and Crown's parent company, PBL, in relation to the Ninth Variation to the Casino Agreement, it has been agreed that there will be an exchange of letters between Crown, PLB and yourself in relation to certain undertakings and that the Management Agreement will be varied.

EXCHANGE OF LETTERS

- It has been agreed that the following letters will be exchanged:
 - a letter to you from PBL undertaking to establish and maintain the headquarters of PBL's gaming business in Melbourne and undertaking to provide Crown with appropriate support and resources to meet undertakings Crown has given to the Commission in the Ninth Variation Agreement;
 - a letter to you from Crown undertaking to enter into the agreed Memorandum of Understanding with Tourism Victoria; and
 - a letter from you to PBL undertaking to introduce into the Parliament a bill to amend the Casino Control Act 1991 in relation to the periodic review of the casino operator and to amend the Casino (Management Agreement) Act 1993 to delete clause 41.2(e) (see below for more detail).
- 4. A draft of these letters was attached to the submission that was considered by the Cabinet on 13 December 2004. Minor changes to two of these letters were made following agreement being reached on the revised wording of clause 28.2 of the Casino Agreement.
- Now that the terms of the Ninth Variation Agreement and associated matters have been settled, it is appropriate that you sign the letter containing the undertakings to PBL as agreed. This letter is at Attachment 1.

AMENDMENT TO THE MANAGEMENT AGREEMENT

- 6. It has been agreed to vary the Management Agreement between the State of Victoria and Crown Limited by deleting clause 41.2(e) of that agreement. Clause 41.2(e) prohibits Crown from taking on or acquiring any assets other than in the ordinary course of Crown's business. The agreed Ninth Variation to the Casino Agreement will remove a similar clause from the Casino Agreement.
- 7. It has also been agreed between the Crown and the Commission to amend the Management Agreement to include the "Deed of Undertaking and Guarantee" and the "Supplemental Casino Agreement" in the definition of "Transaction Document" in the Management Agreement. These documents are included in the definition of Transaction Document in the Casino Agreement but have not been included in the corresponding definition in the Management Agreement. Amending the definition in the Management Agreement to include these two documents will mean that the Commission can consider Crown's compliance with its obligations under these documents when conducting the periodic review of the casino operator (under section 25 of the Casino Control Act 1991) without the need to specifically refer to these documents in the amended version of section 25.
- 8. In order to effect the agreed variations to the Management Agreement, the parties must execute a Deed of Variation, which must then be ratified by the Parliament. It is, therefore, necessary that you sign the Eighth Deed of Variation at Attachment 2. This Deed will then be included in the Casino Control (Amendment) Bill 2005 that is currently being prepared by Parliamentary Counsel for introduction and passage during the current Parliamentary session.

RECOMMENDATION

- 9. That you sign:
 - · the letter to PBL at Attachment 1; and
 - the Eighth Deed of Variation to the Management Agreement at Attachment 2.

Cat	te C	arr
Tel	No:	

MEMORANDUM OF UNDERSTANDING BETWEEN TOURISM VICTORIA AND CROWN LIMITED

1. Crown's obligations

- Crown will undertake interstate and international marketing activities to a minimum value of \$5 million per annum.
- (2) Crown will support MCVB as a preferred partner over a three year period by providing \$100K per annum for three years.
- (3) Crown will support (through its ongoing membership) relevant tourism bodies such as Australia/China Business Council, VTOA, ATEC, VTIC, Destination Melbourne, AHA and MIAA.
- (4) Crown Hotels will be a major sponsor in terms of room nights and banquet space for the hosting of AIME in Melbourne.
- (5) Crown will host international and interstate trade shows relevant to the promotion of Crown and Melbourne.
- (6) Crown will provide the host venue for the Victorian Tourism Awards dinner at discounted rates.
- (7) Crown to commit to Destination Melbourne Limited a minimum of \$45,000 per annum in advertising of Crown.
- (8) Crown to participate in mutually agreed tactical international and interstate marketing campaigns with Tourism Victoria.
- (9) Crown will support Tourism Victoria's familiarisation program by providing the first 25 room nights free of charge for both trade and media familiarisation participants at both the Promenade and Crown Towers, a total of 100 room nights. All subsequent accommodation for familiarisation participants to be at a room cost for media of \$145 (Promenade) and \$160 (Crown Towers) and for trade at a cost of \$165 (Promenade) and \$180 (Crown Towers). These amounts to be reviewed on an annual basis. All accommodation is subject to availability.

2. Tourism Victoria's Obligations

- (1) Tourism Victoria will promote Crown through selected international and interstate marketing activities. The nature and target markets of those activities will be jointly agreed between Crown and Tourism Victoria.
- (2) Tourism Victoria will ensure that Crown is featured

(3) in at least five campaigns per year. international

- (4) Tourism Victoria will feature Crown at least quarterly on the home pages of 'visitmelbourne.com' website variants for China, Hong Kong, Korea, Singapore, Japan, Taiwan, UK, USA, Middle East, Italy, South Africa, Germany, India and New Zealand.
- (5) Tourism Victoria will feature Crown photographically and editorially in all Melbourne and Victoria flagship motivational brochures produced by Tourism Victoria.
- (6) Tourism Victoria will promote Crown as part of its global trade education training program.
- (7) Tourism Victoria will generate extensive media exposure for Crown through its independent public relations activities and through access to the Visiting Journalists Program conducted by Tourism Australia.
- (8) Tourism Victoria will provide support with market intelligence and contacts for Crown's Hotel sales team visits to all markets in which Tourism Victoria is active.
- (9) Tourism Victoria will work with the relevant Federal Government authorities to improve the effectiveness and efficiency of Australia's current visa approval process with a view to Australia having a world's best proactive user friendly system for visa processing.
- (10) Tourism Victoria will deliver a media kit designed and produced by Crown to all media visiting Melbourne under the Visiting Journalist Programme.
- (10) On a strictly confidential basis, Tourism Victoria will collaborate with Crown on an air services strategy for Victoria focussing on same plane and non-stop airline services from key markets, and provide Crown with a six monthly forward update on air services to Melbourne.
- (11) Tourism Victoria will participate in mutually agreed tactical international and interstate marketing campaigns with Crown.

Joint Obligations

- (1) Knowledge transfer between Crown and Tourism Victoria involving an annual information exchange focusing interstate/international marketing programs and marketing research data.
- (2) Tourism Victoria's international marketing division

- (3) will meet with Crown's Hotel Sales team at regular intervals to examine international marketing opportunities on a market by market basis.
- (4) Tourism Victoria's national marketing division will meet with Crown's Hotel Sales team at regular intervals to examine marketing opportunities for the interstate markets.
- (5) Crown and Tourism Victoria will, on an annual basis evaluate the effectiveness of implementation of the initiatives set out in the MOU. It is recognised by both parties that the annual performance review could lead to amendments of the MOU for the following year.

MELBOURNE CASINO PROJECT

CASINO AGREEMENT

AGREEMENT dated 21 September 1993

BETWEEN VICTORIAN CASINO AND GAMING AUTHORITY (formerly

known as VICTORIAN CASINO CONTROL AUTHORITY) a statutory authority established under the Casino Control Act_with its

office at 459 Collins Street, Melbourne ('Authority')

AND CROWN LIMITED ACN 006 973 262 (formerly known as

CROWN CASINO LTD) with its registered office at Hudson Conway

House, 311 Glenferrie Road, Malvern, Victoria ('Company')

RECITALS

- The Authority has power to grant a casino licence under the provisions of the Casino Control Act.
- B. The Company has made application for a casino licence and pursuant to such application has provided information and submissions, including the Melbourne Casino Complex Development Proposals and the Temporary Casino Complex Development Proposals, to the Authority.
- C. The Authority has, in accordance with sections 9 and 10 of the Casino Control Act, carried out investigations and enquiries in relation to the Company and other persons required to be investigated.
- D. Subject to the terms and conditions of this document and the Management Agreement, the Authority has agreed to grant the Casino Licence to the Company.
- The Casino Licence will enable the Company to operate a casino from temporary premises.
- F. The Minister, acting for and on behalf of the State, and the Company have entered into the Management Agreement pursuant to section 15 of the Casino Control Act as a condition precedent to the grant of the Casino Licence to the Company.
- G. The Minister has given approval to the Authority pursuant to sections 14 and 142 of the Casino Control Act to provide an undertaking to the Company as to exclusivity, to enter into this document and to act for and on behalf of the State in respect of certain matters referred to in this document.

AGREEMENT

1. DIVISION INTO PARTS

This document is divided into Parts as follows:

PART 1 - PRELIMINARY

PART 2 - DEVELOPMENT AND COMPLETION

PART 3 - COMPLETION

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

PART 5 - GRANT OF THE CASINO LICENCE

PART 6 - ENCUMBRANCES AND ASSIGNMENTS

PART 7 - TERMINATION

PART 8 - COMPLEMENTARY AGREEMENTS

PART 9 - GENERAL

PART 1 - PRELIMINARY

2. DEFINITIONS

In this document, unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

- 'Agent' means National Australia Bank Limited ACN 004 044 937 and any successor to it as agent under the Facility Agreement;
- 'Agreement Act' means the bill referred to in clause 3.2(a) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;
- 'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Development Proposals to be constructed on or located within the Temporary Casino Site or the Site, including an hotel, restaurant, retail, recreation, entertainment and car parking facilities, residential and office accommodation, staff facilities, staff car parking, coach storage facilities and open space areas;
- 'Assets and Rights' means all the present and future undertaking, property, assets and rights of or held by the Company;
- 'Associate' has the same meaning as in sections 10 to 17 of the Corporations Law;
- 'ASX' means Australian Stock Exchange Limited;
- '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.

'Australian Accounting Standards' means:

- (a) accounting standards as defined in (or having effect under the Corporations
 Law as if they were accounting standards defined in) section 9 of the
 Corporations Law;
- the requirements of the Corporations Law in relation to the preparation and content of accounts; and
- generally accepted accounting principles and practices in Australia consistently applied, except those principles and practices inconsistent with (a) or (b);
- 'Authorisation' includes a consent, approval, licence, permit, franchise, permission, filing, registration, resolution, direction, declaration and exemption;

'Authority' means the Victorian Casino and Gaming Authority;

'Bank Guarantees' means the guarantees or letters of credit to be provided by the Company pursuant to clauses 18.1 and 22.9 of the Management Agreement;

'Business Day' means a day (other than a Saturday or Sunday) on which banks (as defined in the *Banking Act 1959* (Commonwealth)) are generally open for business in Melbourne;

'Casino Asset' means an asset or undertaking of the Company which forms part of the Secured Property and which consists of:

- (a) the Casino Licence;
- (b) the Melbourne Casino;
- (c) the Temporary Casino;
- (d) all gaming equipment used in the Melbourne Casino or the Temporary Casino;
- (e) all revenue derived from the Melbourne Casino or the Temporary Casino (other than revenues which have been deposited or are standing to the credit of the Debt Protection Account or the Debt Service Reserve Account (each as defined in the Facility Agreement) in accordance with the Facility Agreement and any Authorised Investments (as defined in the Facility Agreement) from either of those accounts (or the proceeds of any such Authorised Investment); or
- all other assets of the Company necessary for the operation of the Melbourne Casino or the Temporary Casino;

and a reference to the 'Casino Assets' includes any part of them;

'Casino Control Act' means the Casino Control Act 1991 (Victoria);

'Casino Licence' means a casino licence as defined in the Casino Control Act in relation to the Temporary Casino and the Melbourne Casino in the form of the licence set out in Schedule One;

'Casino Supervision and Control Charge' means:

- (a) for the period from the Licensing Date until 30 June 1994, \$5,000,000; and
- (b) for each Financial Year from 1 July 1994 until 30 June 1997, \$5,000,000;

'Company' means Crown Limited ACN 006 973 262, which will be the casino operator for the purposes of the Casino Control Act;

'Commission' means the Victorian Commission for Gambling Regulation;

'Commissioning' means the checking, testing and acceptance of the operational readiness of and the procedures for the various components of the Melbourne Casino or the Temporary Casino as the case may be (including all staff, facilities and equipment) by the Authority;

'Complementary Agreements' means each of the agreements listed in Schedule Two;

'Completion' means the completion of the construction, the Fit-Out and the Commissioning of the Temporary Casino or the Melbourne Casino, as the case may be, as specified in the Completion Standards and as determined pursuant to clause 20, and 'Complete' and 'Completed' have corresponding meanings;

'Completion Standards' means:

- for construction, when all the requirements under this document and the Casino Control Act in relation to the Melbourne Casino or the Temporary Casino have been complied with;
- (b) for Commissioning, when all the procedures for the various components of the Melbourne Casino or the Temporary Casino (including all staff, facilities and equipment) are in place or immediately and reliably available to the Company such that the Melbourne Casino or the Temporary Casino, as the case may be, can be operated securely and so that there is no risk to the integrity of operation or compromise in the amenity of the Melbourne Casino or the Temporary Casino, as the case may be, which is not acceptable to the Authority; and
- (c) for Fit-Out, when all of the Fit-Out is installed in place and operational with the exception only of minor omissions and maintenance items which, in the reasonable opinion of the Authority, do not affect the security, integrity, operation or amenity of the Melbourne Casino or the Temporary Casino;

'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.

'Construction Agreement' means the proposed building agreement between the Company and a proposed builder substantially in the form of the draft agreement a copy of which has been signed on behalf of the Authority and the Company and dated the date of this document for the purposes of identification;

[Note: The builder is Grocon Pty Ltd ACN 006 772 238]

'Contractor's Deed' has the same meaning as in the Supplemental Development Agreement;

'Control Acts' means the Building Control Act 1981 and the Planning and Environment Act;

'CUB' means Carlton and United Breweries Limited ACN 004 056 106;

'Deal with' means deal with property in any way other than enter into an arm's length agreement to sell dependent for effect on the Authority's consent, including, but not limited to, offer for sale, grant an option in respect of, create or Dispose of a right in respect of, render or permit to be subject to an Encumbrance, convert, deposit, compromise and allow a counterclaim or right of set-off to arise in respect of;

'Deed of Undertaking and Guarantee' means the agreement under which, amongst other things, the Holding Company and other related companies guarantee to the Authority and the State, the due and punctual performance of certain obligations owed by members of the Group to the Authority and the State;

'Design and Construction Programme' means the programme for the design documentation, construction, Fit-Out, Commissioning and Completion of the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) set out in Schedule One of the Management Agreement, as amended from time to time with the prior written approval of the State;

'Development Agreement' means the agreement dated 30 August 1993 between the Company and Hudson Conway Management Limited ACN 006 742 294 providing for the procuring of the construction of the Melbourne Casino Complex;

'Dispose of' means sell, transfer, assign, alienate, surrender, dispose of, deposit, Lease, part with possession of and enter into any agreement or arrangement to do or allow any of these things;

'Director of Casino Surveillance' means the person appointed under section 94 of the Casino Control Act;

'Documentation' means any document or proposal which the Company is required to submit to the Authority under clauses 6, 7, and 8;

*Drawings' means the plans, designs and working drawings relating to the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) provided by the Company to the Authority and described in Schedule Two of the Management Agreement;

'Encumbrance' means a mortgage, charge, pledge, lien, assignment, hypothecation, retention of title (other than a retention of title in respect of trading stock), or any other right (including, without limitation, under a trust, agency, hire purchase, sale and repurchase, sale and leaseback or flawed asset arrangement) of a creditor to have its claims satisfied prior to other creditors with, or from the proceeds of or by recourse to any asset and includes any agreement, arrangement or document conferring such a right or having substantially the same economic effect;

'Equity Funding Agreement (Federal)' means the agreement dated 30 August 1993 between Danwick Pty Limited ACN 059 321 667, The Federal Hotels Limited ACN 004 108 249 and Hudson Conway Limited ACN 009 556 629;

'Facility Agreement' means the \$300,000,000 multi-option facility agreement dated 30 August 1993 between the Company, the Financiers and the Agent;

'Finance Documents' means the Facility Agreement and the Financiers' Securities;

'Financial Year' means from 1 July to 30 June (inclusive);

'Financiers' means National Australia Bank Limited, Australia and New Zealand Banking Group Limited, HongkongBank of Australia Limited, Bank of Western

Inserted by Agreement dated 2 June 1999.

Australia Limited [formerly known as R & I Bank of Western Australia Limited] and State Bank of New South Wales Limited and their successors, assigns and substitutes;

[Note: HongkongBank withdrew 1 March 1995]

- 'Financiers' Securities' means the following securities given to the Agent as agent for the Financiers:
- (a) a first registered fixed and floating charge over the undertaking and all the assets of the Company including a mortgage over the Casino Licence;
- (b) a mortgage of the Site Lease and a mortgage of the Temporary Casino Leases;
- each other security given to the Agent or the Financiers as security for the liabilities of the Company under the Facility Agreement;
- 'Fit-Out' means the application of finishing material, gaming equipment, furniture, fittings, furnishings and such other built-in and loose items required to bring any part of the Temporary Casino or the Melbourne Casino (as the case may be) to Completion to a stage to enable Commissioning to take place;
- 'Fixed and Floating Charge' means the second registered fixed and floating charge given by the Company in favour of the Minister on behalf of the State;
- 'Force Majeure Event' has the same meaning ascribed to that term in the Management Agreement;
- 'Founding Shareholders Agreement' means the agreement dated 30 August 1993 between each Sponsor, CUB and the Company providing for the subscription for Shares by the Sponsors and Carlton & United Breweries Limited;
- 'Further Amendment Act' means the bill referred to in clause 3.2(b) of the Management Agreement when that bill is passed and comes into operation as an Act of Parliament as contemplated by that clause;
- *Gambling Regulation Act* means the Gambling Regulation Act 2003 (Victoria) as amended from time to time;
- 'Gross Gaming Revenue' means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by the Company from the conduct or playing of games within the Temporary Casino or the Melbourne Casino (as the case may be) less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games;
- ² 'Group' means the Company and its Subsidiaries and any other entity which the directors of the Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Company under the Corporations Law;
- 'Guarantee and Indemnity for Development Agreement' means the guarantee and indemnity dated 30 August 1993 by Hudson Conway Limited ACN 009 556 629 to the Company;

Inserted by Agreement dated 2 July 1998.

³'Holding Company' means the Company's ultimate holding company, within the meaning of that expression as defined in section 9 of the *Corporations Law*, but read as though the reference in paragraph (b) to 'no body corporate' were a reference to 'no body corporate incorporated in Australia';

4. Holding Company Group' means:

- (a) the Holding Company;
- the Holding Company's Subsidiaries (including without limitation, the Company and its Subsidiaries); and
- (c) any other entity which the directors of the Holding Company are required to consolidate in the consolidated profit and loss accounts and balance sheets of the Holding Company under the Corporations Law;

'Lease' means an agreement or arrangement under which property is or may be used, occupied, retained, operated or managed by a person for consideration (of whatever form) including, but not limited to, a lease, licence, charter, hire purchase or hiring arrangement;

5

'Licensing Date' means the date which is 2 Business Days after the conditions precedent in clause 5.1 are satisfied; [19 November 1993]

'Licensing Payment Amounts' means the amounts payable under clause 26.1(b);

'Management Agreement' means the agreement between the Minister acting for and on behalf of the State, and the Company entered into pursuant to section 15 of the Casino Control Act;⁶

'Master Security Agreement' means the agreement of even date between the State, the Authority, the Company, the Agent and the Sponsors relating, among other things, to the priority of the Encumbrances given by the Company;

'Melbourne Casino' means those areas identified in the Drawings for the Melbourne Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of this document and the Management Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the

Inserted by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 June 1999.

Definition of 'Liabilities' deleted by Agreement dated 2 July 1998.

Varied by Agreements dated 14 November 1994 and 12 October 1995.

Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

- 'Minister' means the Minister for the time being administering the Casino Control Act;
- 'Mortgagee' means any person with any Encumbrance (whether as mortgagee, chargee or otherwise) affecting or in relation to the Assets and Rights of the Company;
- 'Ninth Variation Date' means the date of the Ninth Variation Agreement between the Commission and the Company varying the terms of this document;
- 7-Note Agreement' means the deed dated 24 December 1993 between the Company, Permanent Trustee Australia Ltd and National Australia Bank Limited;
- 8'Note Agreement (Series 2)' means the deed dated 15 August 1996 between the Company, Permanent Trustee Australia Limited and National Australia Bank Limited;
- 'Operations Agreement' means the agreement dated 30 August 1993 between the Company and Crown Management Pty Ltd ACN 059 301 610 providing for the conduct of the operations of the Temporary Casino and the Melbourne Casino;
- 'Permitted Encumbrance' means an encumbrance of the kind permitted under clause 29.1;
- 'Planning Amendments' means the planning scheme amendments referred to in clause 9 of the Management Agreement;
- 'Planning and Environment Act' means the Planning and Environment Act 1987 (Victoria);
- 'Premium Payment' means \$10,000,000 being the amount determined by the Treasurer of the State under section 112A of the Casino Control Act as the amount payable by the Company under the Management Agreement;
- 'Public Authority' means any government or minister or any governmental, semigovernmental or judicial entity, department, instrumentality or authority;
- 'Receiver' means receiver, receiver and manager or agent for a mortgagee in possession, according to the nature of the appointment;
- 'Related Party' means the Sponsors and any Subsidiary of the Company;
- 'Relevant Legislation' means the Casino Control Act, the Agreement Act and the Further Amendment Act;
- 'Secured Property' means at any time, any present or future right, property or undertaking of the Company, (other than an amount which has been deposited to, or which is standing to the credit of, the Debt Service Reserve Account or the Debt Protection Account (each as defined in the Facility Agreement) and any Authorised Investment (as defined in the Facility Agreement) from either of those accounts (or the

Inserted by Agreement dated 7 March 1995.

Inserted by Agreement dated 8 May 1997.

proceeds of any such Authorised Investment)) under the Facility Agreement, of whatever kind or wherever situated which is subject at that time to both:

- (a) the Fixed and Floating Charge; and
- (b) any one or more of the Financiers' Securities;

and a reference to 'Secured Property' includes any part of it;

"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
 - (iv) Compliance.

'Share' means a fully paid ordinary share with a par value of \$0.50 in the capital of the Company;

'Shareholders Agreement - Crown Management Pty Ltd' means the agreement dated 30 August 1993 between Hudson Conway Limited ACN 009 556 629, Mulawa Casinos Pty Ltd ACN 060 766 001, The Federal Hotels Limited ACN 004 108 249 and Crown Management Pty Limited ACN 059 301 610;

10. Site' has the same meaning as in the Management Agreement;

'Site Lease' means the lease of "part of the Site from the Minister for Finance on behalf of the State to the Company;

'Site Lease Supplemental Agreement' means the agreement between the Minister for Finance, the Company and the Agent;

¹² Solvency Report' means a report prepared in accordance with Australian Auditing Standard AUS 904 'Engagement to Perform Agreed Upon Procedures' and paragraphs

Definition of 'Shareholders' Funds' deleted by Agreement dated 2 July 1998.

Varied by Agreement dated 8 May 1997.

Inserted by Agreement dated 8 May 1997.
Inserted by Agreement dated 2 July 1998.

.21(a) to (e), .23 and .24 of Australian Auditing Standard ALS 708 'Going Concern' and in a form approved by the Authority from time to time;

'Sponsors' mean Hudson Conway Limited ACN 009 556 629 and The Federal Hotels Limited ACN 004 108 249 and for the purposes of clause 22.1(a) such other person as the Authority may approve;

'Sponsor's Guarantees' means the guarantees of even date by Hudson Conway Limited ACN 009 556 629 in favour of the Authority and in favour of the State;

'State' means the State of Victoria;

'State's Nominated Representative' means the person appointed from time to time by the minister for the time being administering the *Planning and Environment Act* in accordance with clause 6.4 of the Management Agreement;

'Subsidiary' means any body corporate which would be a subsidiary of the Company within the meaning of section 46 of the Corporations Law or any entity which would be a subsidiary of the Company under Australian Accounting Standard AAS24;

¹³ Supplemental Casino Agreement' means the agreement under which the Holding Company guarantees to the Authority, the due and punctual performance of obligations owed by each member of the Holding Company Group to the Authority;

'Supplemental Development Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Hudson Conway Management Limited ACN 006 742 294 which is supplemental to the Development Agreement;

'Supplemental Operations Agreement' means the agreement of even date between the Authority, the Company, the Sponsors and Crown Management Pty Ltd ACN 059 301 610 which is supplemental to the Operations Agreement;

'Supplemental Sponsors' Agreement' means the agreement of even date between the Authority, the Company and the Sponsors which is supplemental to the Founding Shareholders Agreement;

'Temporary Casino' means those areas identified in the Drawings for the Temporary Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of this document and the Management Agreement;

*Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Temporary Casino Leases' means:

¹³

- (a) the lease from the Port of Melbourne Authority to the Company; and
- (b) the sub-lease between the Urban Land Authority, Allco Nominees (Vic) Pty Ltd ACN 006 837 289 and the Company;

'Temporary Casino Leases Supplemental Agreements' means:

- the agreement between the Port of Melbourne Authority, the Company and the Agent; and
- (b) the Temporary Casino Sub-Lease Supplemental Agreement;

'Temporary Casino Site' means that part of the World Trade Centre on the land bounded by Spencer Street, Flinders Street Extension and the River Yarra identified in the Plan of Survey annexed to the lease referred to in paragraph (a) of the definition of Temporary Casino Leases;

'Temporary Casino Sub-Lease Supplemental Agreement' means the agreement between the Urban Land Authority, Allco Nominees (Vic) Pty Ltd ACN 006 837 289, the Company and the Agent;

¹⁴ Total Assets' means the aggregate of all assets of the Group which according to Australian Accounting Standards are defined, or would be regarded, as assets;

¹⁵ Total Group Assets' means the aggregate of all assets of the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as assets;

16-Total Group Liabilities' means the aggregate of all liabilities of the Holding Company Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities.

¹⁷ Total Liabilities' means the aggregate of all liabilities of the Group which according to Australian Accounting Standards are defined, or would be regarded, as liabilities;

'Transaction Document' means each of this document, the Management Agreement, the Casino Licence, the Site Lease, the Temporary Casino Leases, the Fixed and Floating Charge, the Sponsor's Guarantees, the Master Security Agreement, the Site Lease Tripartite Agreement, the Temporary Casino Leases Supplemental Agreements, the Supplemental Sponsors' Agreement, the Supplemental Development Agreement, the Contractor's Deed, the Bank Guarantees, 18 the Supplemental Operations Agreement, 19 the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement;

²⁰ Trust Deed' means the deed dated 24 December 1993 between the Company and Permanent Trustee Australia Ltd relating to the issue by the Company of unsecured notes;

Inserted by Agreement dated 2 July 1998.

Inserted by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 July 1998.

Varied by Agreement dated 2 June 1999.
 Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 7 March 1995.

²¹ Trust Deed (Series 2) means the deed dated 15 August 1996 between the Company and Permanent Trustee Australia Limited relating to the issue by the Company of unsecured notes;

'Underwriting Agreement' means both the underwriting agreements of 13 August 1993 and 23 August 1993 between the Company, E.L. & C. Baillieu Limited ACN 006 519 393, Rothschild Australia Securities Limited ACN 008 591 768, Macquarie Underwriting Limited ACN 001 374 572, Ord Minnett Securities Limited ACN 003 245 234, James Capel Australia Limited ACN 002 786 272 and the Sponsors; and

'Warranties' means the representations and warranties of the Company set out in Schedule Three.

3. COMMENCEMENT OF CERTAIN PROVISIONS

This clause and clauses 2, 5, 6.3, 33, 34, 36, 37, and 39-48 (inclusive) commence on the date of this document.

4. VARIATION

Subject to the prior approval in writing of the Minister, the parties may from time to time by agreement in writing vary any provision of this document.

5. CONDITIONS PRECEDENT

- 5.1 The provisions of this document other than the clauses referred to in clause 3 are conditional upon the satisfaction of the following conditions precedent:
 - (a) execution of:
 - the Transaction Documents except for the Casino Licence and the Bank Guarantees;
 - (ii) the Finance Documents;
 - (iii) the Development Agreement;
 - (iv) the Operations Agreement;
 - (v) the Construction Agreement;
 - (vi) the Founding Shareholders Agreement;
 - (vii) the Underwriting Agreement;
 - (viii) the Equity Funding Agreement (Federal);
 - (ix) the Shareholders Agreement Crown Management Pty Ltd; and
 - (x) the Guarantee and Indemnity for Development Agreement;
 - (b) each of the conditions precedent in each document referred to in paragraph (a) being satisfied other than:

Inserted by Agreement dated 8 May 1997.

- (i) conditions precedent contained in paragraphs (14), (15), and (28) of Part 1 of Appendix A to and clause 4.2 of the Facility Agreement and those conditions precedent in Appendix A to the Facility Agreement that are factual or procedural matters that cannot be satisfied until the time of drawdown; and
- (ii) the issue of the Casino Licence;
- (c) approval of the Planning Amendments; and
- (d) the coming into operation of those parts of the Agreement Act and the Further Amendment Act which relate to the construction, Fit-Out, Commissioning, Completion and operation of the Melbourne Casino Complex and the Temporary Casino Complex each in the form and substance reasonably satisfactory to the Company to enable the Company to comply with its obligations under the Transaction Documents.
- 5.2 The Authority will provide written notice to the Company and to the Minister of satisfaction of the conditions specified in clause 5.1 within 2 Business Days of the satisfaction of all of those conditions.
- 5.3 Each party shall use its best endeavours to ensure the satisfaction of the conditions in clause 5.1 as soon as possible after the execution of this document, and in any event no later than the date specified in clause 5.4.
- 5.4 This document shall terminate upon the Management Agreement terminating under clause 5.2 of that agreement.

PART 2 - DEVELOPMENT AND COMPLETION

6. DOCUMENTS TO BE SUBMITTED TO THE AUTHORITY

- 6.1 The Company must as soon as possible, but within 10 weeks from the Licensing Date submit to the Authority for its approval the following items:
 - (a) a schedule identifying the proposed nature and degree of access (including pedestrian and vehicular) to all facilities by people who may be attending the Melbourne Casino together with a report on the vehicular part of that proposal;
 - a detailed development master plan or plans clearly indicating the intentions of the Company for the development of the Melbourne Casino;
 - (c) all final schematic design drawings in relation to the Melbourne Casino;
 - (d) a proposal detailing the intended method of carrying out all phases of the development of the Melbourne Casino including the type of contract documentation to be used, the system (including the provision for review and approval by the Authority where required by the Authority) for the calling of tenders and appointment of sub-contractors, nominated sub-contractors, trade contractors and the method for completing construction, Fit-Out and Commissioning of the Melbourne Casino; and
 - (e) such other documents, drawings or information reasonably required by the Authority in relation to the Melbourne Casino.

- 6.2 As soon as practicable, but in any event no later than 3 months after Completion of the Melbourne Casino, the Company must prepare and supply the Authority with:
 - (a) a list of and 3 copies of all equipment and construction warranties in relation to the Melbourne Casino provided in favour of the Company;
 - (b) 3 copies of instructions and maintenance manuals in relation to the Melbourne Casino for:
 - (i) all hydraulic systems;
 - (ii) all mechanical systems; and
 - (iii) all electrical systems; and
 - (c) 3 copies of as built drawings for all services in relation to the Melbourne Casino including:
 - (i) hydraulic drawings;
 - (ii) mechanical drawings;
 - (iii) electrical drawings;
 - (iv) civil works drawings; and
 - (v) architectural drawings.
- 6.3 The Company must by the 8 December 1994 enter into a contract substantially in the form of the Construction Agreement with a builder approved by the Authority acting reasonably providing for the construction of the Melbourne Casino Complex.
- 6.4 The Company must procure the execution of the Contractor's Deed before or at the time that the Company enters into the contract referred to in clause 6.3.

6.5 Provision of Information and Documents

- (a) The Company must:
 - (i) within 14 days of receiving a request from the Authority; and in any event
 - (ii) by 24 May 1996, being the date by which the Company must make available the Gaming Floor and Back of House areas -
 - provide to the Authority the documents and information referred to in clause 6.1 of the Casino Agreement in accordance with paragraph (b) of this clause.
- (b) The Company complies with its obligations pursuant to paragraph (a) of this clause if:
- (c) the Company provides the documents or information requested by the Authority;

- (d) the Company advises:
 - that it is unable, at that stage, to provide the information and/or documents;
 - the reasons for the Company's inability to provide the information and/or documents; and
 - (iii) the date by which the Company anticipates being able to provide the information and/or documents; and
 - (iv) the Authority does not, within 10 days of the receipt of the advice pursuant to this paragraph give a notice to the Company that the documents and/or information must still be provided in response to the Authority's request; or
- (e) it advises the Authority that, in respect of the documents and/or information requested by the Authority, there has been no variation to or amendment of the documents or information previously provided by the Company to the Authority.
- (f) The Company may respond to a request from the Authority by a combination of the alternatives referred to in paragraph (b) of this clause as is appropriate in the circumstances.
- (g) The Authority may make requests pursuant to paragraph (a) of this clause from time to time as it considers appropriate in its absolute discretion.
- The Company acknowledges, undertakes and agrees that the Company is not permitted to terminate the Construction Agreement without the approval of the State in accordance with clause 9.3 of the Supplemental Development Agreement and without the approval of the Authority in accordance with clause 32.1 of this document.

7. MELBOURNE CASINO WORKS

The Company must, at least 14 days prior to the commencement of any part of the Melbourne Casino, submit to the Authority for approval all working drawings and specifications relating to any such part, and in particular the following details:

- drawings of the floor layouts for the Melbourne Casino showing the placement of gaming tables and closed circuit television cameras and other surveillance facilities;
- (b) drawings of the reflected ceiling showing the location of catwalks (if any), closed circuit television cameras, viewing panels, lights and other fittings and services;
- (c) plans of cashiers' cages, count rooms and all security areas, including access thereto;
- (d) plans of secure areas and facilities to be used for inspectors appointed under the Casino Control Act, police and the Company's surveillance and security staff;
- (e) the electrical installations, in particular for the:

Inserted by Agreement 3 March 1995. Varied by Agreement dated 8 May 1997.

- closed circuit television system for both surveillance of the Melbourne Casino and for use by inspectors appointed under the Casino Control Act;
- (ii) alarm system;
- (iii) telephone installations;
- (iv) emergency link to local police headquarters;
- (v) auxiliary power and lighting provisions; and
- (vi) fire protection systems and flood control plans for the preceding items in paragraph (e);
- (f) the master-key system proposed; and
- (g) the proposed construction, supply or Fit-Out of the preceding items.

8. SAFETY PROCEDURES

The Company must, at least 14 days before the Company intends to open the Melbourne Casino for use by the public, submit to the Authority for its approval details of the following matters so far as they relate to that part of the Melbourne Casino which the Company intends to open:

- (a) fire and flood safety and damage control procedures;
- (b) emergency control procedures;
- (c) crowd control procedures;
- (d) armoured vehicle transfer arrangements; and
- (e) vehicle control and parking arrangements.

9. VARIATIONS

- 9.1 The Company must submit to the Authority details of any variations to the Drawings and the working drawings and specifications to be provided pursuant to the Control Acts, the Management Agreement or this document where any such variation in any way relates to the Melbourne Casino.
- 9.2 The Company must not make any such variations without the prior approval in writing of the Authority.

10. APPROVAL BY THE AUTHORITY

10.1 If the Company is required by this document to submit to the Authority any documents or proposal for approval the Company must not proceed with carrying out any works or taking any action described in or contemplated by the documents or the proposal until the Authority has approved the documents or proposal or the documents or proposal have otherwise been dealt with in accordance with this clause 10.

- 10.2 If the Company is required by this document to submit to the Authority any documents or proposal for approval, the Authority may:
 - (a) approve the documents or proposal;
 - (b) subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - (c) require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.
- 10.3 If the Authority imposes conditions, requires amendment or rejects the documents or proposal pursuant to clause 10.2 the Company may, within 7 days of notification of the condition, amendment or rejection, make a further submission to the Authority as to why the condition should not be imposed, the amendment not be made or the documents or proposal not be rejected.
- 10.4 If the Company makes a further submission to the Authority as provided for in clause 10.3, the Authority shall give the further submission reasonable consideration and may:
 - (a) approve the documents or proposal;
 - (b) subject to clause 10.6, approve the documents or proposal subject to any condition or conditions;
 - require amendment as specified to the documents or proposal; or
 - (d) reject the documents or proposal.

10.5 If:

- the Authority approves the documents or proposal, the Company must proceed with the work in accordance with the approved documents or proposal;
- the Authority imposes conditions in relation to the approval of the documents or proposal, the Company must comply with those conditions; or
- (c) the Authority requires amendment to the documents or proposal, the Company must, within 14 days of notification of the requirements, submit to the Authority further documents or a further proposal amended in accordance with the requirements and such documents or proposal shall be dealt with in accordance with this clause 10.
- 10.6 In imposing any conditions to any approval under clause 10 of any document or proposal the Authority must not act unreasonably having regard to the effect of the Melbourne Casino Complex Development Proposals, the Temporary Casino Complex Development Proposals, the Planning Amendments and the design and planning objectives of the State.

11. TIME FOR APPROVAL

- 11.1 If the Company submits any documents or proposal to the Authority, the Authority must respond in writing to the Company in the manner contemplated in clause 10 within 14 days of receiving the documents or proposal from the Company or such further period agreed between the Authority and the Company.
- 11.2 If the Authority has not responded in writing to the Company as required by clause 10 within 14 days or such further period as agreed, the Authority will be taken to have given its approval.
- 11.3 Clauses 11.1 and 11.2 apply only in relation to clauses 6 20 inclusive.

12. DIRECTOR OF CASINO SURVEILLANCE

- 12.1 The Authority must ensure that all documents and proposals which are submitted to the Authority for approval under this document and which must also be approved by the Director of Casino Surveillance under section 59 of the Casino Control Act are provided by the Authority to the Director of Casino Surveillance who shall be responsible for providing any necessary approvals.
- 12.2 Clauses 10 and 11 will apply in relation to any approvals to be given by the Director of Casino Surveillance as if the Director of Casino Surveillance were the Authority.
- 12.3 Nothing in this document shall be taken as limiting or fettering the rights of the Director of Casino Surveillance under the Casino Control Act.

13. PROVISION OF FACILITIES FOR INSPECTORS

The Company must at its expense provide, keep and maintain all facilities and surveillance systems in the Melbourne Casino required for the use of inspectors appointed under the Casino Control Act.

14. SITE ACCESS

- 14.1 Persons authorised in writing by the Authority or the Director of Casino Surveillance may at all reasonable times have free access to the Site but in doing so such persons must not interfere with the progress of any works except for the purpose of exercising any powers conferred under the Transaction Documents or the Casino Control Act. Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice, the Authority or the Director of Casino Surveillance and the Company must co-operate in the co-ordination of the Authority's or the Director of Casino Surveillance's inspections, measurements and tests with the requirements of the Company in relation to any programmes for and the timely Completion of the Melbourne Casino, with the objective of achieving, to the maximum extent possible, inspections, measurements and tests at the most appropriate times during the execution of the works for the Melbourne Casino and prior to closing up of the relevant part of the works.
- 14.2 The Authority or the Director of Casino Surveillance may, from time to time, give to the Company reasonable notice in writing that:
 - the Authority or the Director of Casino Surveillance proposes to carry out, during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests; or
 - (b) the Authority or the Director of Casino Surveillance requires the Company to carry out, during the progress of the works in relation to the Melbourne Casino, inspections, measurements or tests as described in the notice.
- 14.3 If the Company receives a notice pursuant to clause 14.2, the Company must ensure that no part of the works in relation to the Melbourne Casino thereafter becomes inaccessible before any required inspection, measurement or test is completed, and:
 - if the notice is pursuant to paragraph 14.2(a), the Company must permit the Authority, the Director of Casino Surveillance or their respective agents to carry out the inspection, measurement or test; or
 - (b) if the notice is pursuant to paragraph 14.2(b), the Company must carry out the inspection, measurement or test, at its cost, in accordance with the conditions set out in the notice and at a time specified in the notice and must immediately thereafter provide to the Authority or the Director of Casino Surveillance a copy of the results of the inspection, measurement or test.
- 14.4 The Authority or the Director of Casino Surveillance and any persons authorised by any of them must not act unreasonably when exercising any powers under clause 14.
- 14.5 Subject to the Authority's or the Director of Casino Surveillance's right to make random inspections without notice and notwithstanding clause 14.3, if the Authority, the Director of Casino Surveillance or any of their respective agents carry out any inspection, measurement or test or require the Company to carry out any inspection, measurement or test in respect of any part of the works in relation to the Melbourne Casino which has become inaccessible the Authority, the Director of Casino Surveillance or any of their respective agents must first give the Company notice in writing of the Authority's or the Director of Casino Surveillance's reasonable requirements in respect of the inspection, measurement or test.
- 15. RECTIFICATION AND SUSPENSION OF THE WORKS IN RELATION TO THE MELBOURNE CASINO

- 15.1 If following any inspection, measuring or examination of the works in relation to the Melbourne Casino the Authority is of the opinion that the works do not comply with any of the requirements in clauses 6 20 of this document or the reasonable requirements of the Authority which have been notified in writing to the Company or the requirements of any approved Documentation, the Authority may by notice to the Company specify:
 - (a) in what respect the works do not comply; and
 - (b) what action must be taken to rectify the non-compliance and the reasonable time within which that action is to be taken.

and the Company must comply with that notice.

15.2 If the Authority forms the opinion that the Company has failed for any reason to comply with a notice given pursuant to clause 15.1, the Authority may, without prejudice to any other right or remedy arising because of that failure, by notice to the Company direct the suspension of that part of the works in relation to the Melbourne Casino which is the subject of the notice given pursuant to clause 15.1 until the notice given pursuant to clause 15.1 is complied with.

16. PROJECT ADVISORY MEETINGS

- 16.1 Project advisory meetings must be held on a monthly basis and from time to time as may be required by the Authority during the design documentation, construction, Fit-Out and Commissioning of the Melbourne Casino.
- 16.2 The principal purposes of these meetings are to monitor design development, contract documentation and progress of the construction of the Melbourne Casino and to ensure compliance by the Company with its obligations under this document.
- 16.3 The meetings must be:
 - (a) at a location determined by the Authority;
 - (b) attended by at least 1 and not more than 4 representatives from each of the Authority and the Company; and
 - (c) chaired by a person nominated by the Authority.
- 16.4 The State's Nominated Representative may attend the meetings.
- 16.5 The Company must provide accurate minutes to the Authority and the State's Nominated Representative within 3 days after each project advisory meeting.

17. MULTIPLE COPIES OF PLANS

The Company must provide to the Authority 3 copies (or such lesser number as may from time to time be agreed) of all plans, specifications and other material required to be provided pursuant to clauses 6 to 18 (inclusive) of this document.

18. DEVELOPMENT OF THE TEMPORARY CASINO

- 18.1 The Company must provide to the Authority for its approval all documents, drawings and information additional to the Temporary Casino Complex Development Proposals and the Drawings which are necessary for the design and construction of the Temporary Casino, including details of those items specified in clauses 6,7 and 8 in so far as they relate to the Temporary Casino.
- 18.2 The Company must provide to the Authority for its approval any other documents, drawings or information requested by the Authority in relation to the Temporary Casino.
- 18.3 Clauses 9, 10, 11 and 12 apply (unless the context otherwise requires) in relation to any submissions by the Company to the Authority for the approval of documents and drawings or any proposal relating to the Temporary Casino Complex or to any application by the Company to vary any approved document or drawing as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino the Melbourne Casino.
- 18.4 Clauses 13, 14, 15 and 16 apply (unless the context otherwise requires) in relation to the Temporary Casino Complex and the Temporary Casino Site as if the Temporary Casino Complex were the Melbourne Casino Complex and the Temporary Casino Site the Site.

PART 3 - COMPLETION

19. OPENING OF THE MELBOURNE CASINO

It is a condition precedent to approval to open the Melbourne Casino that at least 2000 car parking spaces are available for use on the Site.

20. COMPLETION

- 20.1 The Company must give not less than 7 Business Days notice in writing to the Authority that the Company anticipates that the Temporary Casino or the Melbourne Casino, as the case may be, ('Relevant Works') will be Completed on the date specified in the notice.
- 20.2 On the date agreed between the Company and the Authority (and if no date is agreed, then on the date specified in the Company's notice under clause 20.1) the Authority must inspect the Relevant Works and consider all matters relevant to the Completion of the Relevant Works.
 1.1
- 20.3 If the Authority is of the opinion that the Relevant Works are not Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 give notice to the Company of this opinion and state in that notice the reason or reasons why the Authority is of this opinion.
- 20.4 If the Authority is of the opinion that the Relevant Works are Completed, the Authority must within 10 Business Days of the inspection under clause 20.2 issue a certificate to the Company stating the date on which it believes those Relevant Works reached Completion and those Relevant Works shall, for the purpose of this document, be taken to have been Completed on that date.
- 20.5 Upon receipt of a notice from the Authority under clause 20.3, the Company must immediately attend to any matters stated in the notice as requiring attention and upon the Company attending to these matters, the Company must give a further notice in writing to the Authority pursuant to paragraph 20.1.

- 20.6 Any determination by the Authority that any Relevant Works have been Completed is not acceptance that the Company has complied with the Transaction Documents and any right which the Authority may have had prior to that determination is preserved absolutely.
- 20.7 If the Authority does not deliver a notice to the Company under clause 20.3 or a certificate under clause 20.4 within the 10 Business Days period referred to in those clauses, the Relevant Works will be taken to have been Completed on the date on which those Relevant Works were inspected under clause 20.2 and a certificate of Completion will be taken to have been issued by the Authority with a date of Completion on that date.
- 20.8 A certificate of Completion under clause 20 does not excuse the Company from compliance with all relevant legislation in relation to the Relevant Works.

PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS

21. WARRANTIES OF THE COMPANY

- 21.1 The Company makes the Warranties to the Authority as at the date of this document and for each day up to and including the Licensing Date.
- 21.2 Each Warranty shall be construed separately and the meaning of each shall in no way be limited by reference to any other representation or warranty contained in this document.

22. CONDITIONS RELATING TO COMPANY STRUCTURE

The following are conditions of this document:
200

(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 the Commission agree that the

Substituted by Agreement dated 8 May 1997.

Clause 22.1 (a) deleted by Agreement dated 2 June 1999.

²⁵ Clause 22.1 (aa) deleted by Agreement dated 2 June 1999.

Clause 22.1 (ab) deleted by Agreement dated 2 June 1999.

Clause 22.1 (ac) deleted by Agreement dated 2 June 1999.

Claude 22.1 (ad) deleted by Agreement dated 2 June 1999.
 Clause 22.1 (b) deleted by Agreement dated 2 June 1999.

provisions contained in this Agreement should be given a broad meaning having regard to their intended effect and any conditions set out in this 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;
- (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;
- the Company must obtain the prior written approval of the Authority to any appointment of a director or alternate director of the Company;
- (d) the Company must procure the vacation from office of any director or alternate director of the Company in accordance with any direction to that effect by the Authority;
- the articles of association of the Company must provide at all times for a minimum of 5 directors to be appointed;
- (f) 30 the Company will not knowingly permit a person or, upon becoming aware of a person being entitled, allow a person to continue to be entitled to a number of Shares which exceeds 5% of the total number of Shares on issue at any time, without the prior written approval of the Authority;
- (g) where required by the Authority, the Company must enforce the disposal of Shares of any person in accordance with the procedures for such disposal set out in the articles of association of the Company;
- (h) if so requested by the Authority, the Company must when requested, at any time that it is a company within the meaning of Part 6.8 of the Corporations Law, issue notices pursuant to Sections 718 and 719 of the Corporations Law_in respect of particular Shares;
- (i) except for the issue of partly paid shares in the Company to employees of the Company (not exceeding 5% of the fully diluted total issued capital of the Company), options issued to the Sponsors (not exceeding 15% of the fully diluted total issued capital of the Company) and subject to clause 22.1(m) unsecured debt securities issued in the ordinary course of business of the Company which do not materially increase the total indebtedness of the Company, the Company must not issue any shares of a class other than the Shares or any other security (as defined in section 92 of the Corporations Law) without the prior written approval of the Authority;

- (j) the Company must not, without the prior written approval of the Authority, issue or announce the issue of Shares, if such issue would require the approval of holders of Shares under rule 7.1 of the Listing Rules of ASX;
 - (k) the memorandum and articles of association of the Company must not be amended without the prior written approval of the Authority;
 - no person may be appointed as auditor of the Company unless that person's appointment has first been approved in writing by the Authority;
- 32 (m) subject to clause 22.6, the Company must procure that at any time Total Liabilities does not exceed 60% of Total Assets without the prior written approval of the Authority;
 - (ma) Total Group Liabilities must not at any time exceed 60% of Total Group Assets without the prior written approval of the Authority;
 - (n) the Company must provide to the Authority within 14 days of the end of each month details of all Shares issued by the Company³⁴ and a list of the top 50 holders of Shares registered at the end of the previous month;
 - a director or alternate director of the Company must not gamble in the Temporary Casino or the Melbourne Casino;

(p)

- (q) ³⁵(r) the Holding Company Group, if it pursues anywhere in Australia a business similar to that of the Company, will use its best endeavours to ensure that such business is conducted in a manner;
 - (i) which is beneficial both to that business and to the Company and which promotes tourism, employment and economic development generally in the State of Victoria; and
 - (ii) which is not detrimental to the Company's interests; and
- (ra) the Company must ensure that the Holding Company Group locates the headquarters of its gaming business in Melbourne;
- unless the Company, the Holding Company, the State and the Authority agree otherwise, the Company must ensure that the State is at all times the beneficiary and holder of:
 - a first ranking unlimited fixed and floating charge over all the assets and undertakings of the Company; or

³¹ Substituted by Agreement dated 8 May 1997.

Substituted by Agreement dated 2 July 1998.

Inserted by Agreement dated 2 June 1999...

³⁴ Varied by Agreement dated 8 May 1997.

Varied by Agreement dated 2 June 1999.

Inserted by Agreement dated 2 June 1999.

- (ii) a first ranking fixed and floating charge, limited to an amount of not less than \$100,000,000.00, over all the assets and undertakings of the Company, together with a letter or letters of credit from banks or financial institutions acceptable to the State, in form and substance acceptable to the State, up to an aggregate amount of not less than \$100,000,000.00 (in addition to any other letter of credit or bank guarantee which must be provided to the State under the Management Agreement).
- (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;
- 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;
- (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,

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 procuration of the alternative project as required by clause 5 of Schedule 8 of the Casino (Management Agreement) Act 1993;

- (w) the Company will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia;
- (x) the Company 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.
- 22.2 In clause 22.1, 'Share' or 'Shares' includes, as the context requires, any other class of voting security (as defined in section 92 of the Corporations Law) issued by the Company.
- 22.3 For the purposes of clause 22.1, a reference to a person being entitled to Shares has the same meaning as a reference in Part 6.7 of the Corporations Law to a person being entitled to voting shares in a company and that person's entitlement will be calculated in the manner prescribed for calculation of substantial shareholdings in Part 6.7 of the Corporations Law as if that Part applied.
- 22.5 For the purposes of clause 22.1, 'hold' or 'held' in relation to Shares means that those Shares are beneficially owned, and includes Shares registered in the name of a nominee holding under a bare trust.

- Any approval given by the Authority under clauses 22.1(m) and 22.1(ma)³⁸ may be given subject to such conditions as the Authority determines.
- ³⁹22.7 If at any time there is any change in Australian Accounting Standards or their application and such change will have a material impact on the compliance by the Company with clauses 22.1(m) and 22.1(ma), ⁴⁰ the Authority agrees to discuss with the Company amendments that may be required to the definitions relevant to clauses 22.1(m) and 22.1(ma) ⁴¹ to ensure that the provisions of this document would have the same economic effect had such a change not been made. The Authority is not obliged to agree to any such amendments.
- For the purpose of monitoring compliance by the Company with clauses 22.1(m) and 22.1(ma), ⁴³ the Company must calculate the ratio of Total Liabilities to Total Assets and the ratio of Total Group Liabilities to Total Group Assets ⁴⁴ as at the last day of every month ('Calculation Day') and provide to the Authority written details of such calculation within not more than 10 Business Days after the Calculation Day.
- 4522.9 If any ratio⁴⁶ calculated under clause 22.8 is greater than 60%, the Company must procure that its auditor provides to the Authority a Solvency Report in respect of the Company and the Holding Company Group⁴⁷ addressed to the Authority by not later than the 20th day of the month following the Calculation Day.
- ⁴⁸22.10 If any ratio⁴⁹ calculated under clause 22.8 is greater than 60%, the Company may make written submissions to the Authority for consideration by the Authority for the purposes of clause 22.12 in relation to the period within which the Company expects any ratio will not exceed 60% and the financial position of the Company and the Holding Company Group. ⁵⁰ Any such written submissions must be provided to the Authority by not later than the 20th day of the month following the Calculation Day.
- 5122.11 For the purposes of clause 22.12, the Authority may by notice in writing to the Company require the Company to provide to the Authority within the period specified in the notice such further information as the Authority requires in relation to a Solvency Report or the financial position of the Company and the Holding Company Group. 52

5322.12 If:

(a) any ratio⁵⁴ calculated under clause 22.8 is greater than 60%;

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- (b) the Solvency Report provided under clause 22.9 concludes that there is a reasonable basis for believing that the Company will meet its debts as and when they fall due for the next 12 months;
- (c) the Authority is satisfied that the Company will comply with clauses 22.1(m) and 22.1(ma)⁵⁵ within a period acceptable to the Authority; and
- (d) the Authority is otherwise satisfied with the financial position of the Company and the Holding Company Group; 56

the Authority may determine not to issue a notice to the Company under clause 31.2 of this document in respect of the breach of clauses 22.1(m) and 22.1(ma).⁵⁷

23. INSPECTION OF RECORDS

The Company must upon demand make available for inspection by the Authority all records, accounts and information held by or on behalf of the Company and allow the Authority to take copies of or extracts from all such records, accounts and information.

24. ATTENDANCE AT COMPANY MEETINGS

- 24.1 A representative of the Authority is entitled to attend and to speak at any meeting of the Company as though he or she were a shareholder of the Company, but this clause does not confer a right to vote on the Authority or its representative.
- 24.2 The Company must deliver to the Authority copies of all notices and circulars that are forwarded to shareholders in the same manner and time frame as if the Authority were a shareholder.

25. DISCLOSURE

- 25.1 If the Company is admitted to the Official List of the ASX or is listed on any other stock exchange ('Exchange'), the Company must provide to the Authority a copy of:
 - all notices or other information provided by or on behalf of the Company to the ASX or Exchange; and
 - all notices or other information relating to the Company which are received by the Company from the ASX or Exchange,

on the same date that those notices or other information are provided to the ASX or Exchange or received by the Company.

25.2 The Company must immediately notify the Authority of any information necessary to ensure that the Authority is able to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company.

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Waried by Agreement dated 2 June 1999.

³⁷ Varied by Agreement dated 2 June 1999.

- 25.3 Without limiting the generality of clause 25.2, the Company must immediately notify the Authority of any event or circumstance which would be material to the Company having regard to the definition of materiality in Australian Accounting Standard AAS5.
- 25.4 The Company and any Subsidiary must, within 15 Business Days of the end of each quarter ending on the last day of September, December and March in each year, give to the Authority a quarterly financial report in the form of the report in Schedule Four.
- 25.5 The Company must provide to the Authority a copy of:
 - (a) all notices or other information provided by or on behalf of the Company to the Australian Securities Commission; and
 - (b) all notices or other information relating to the Company which are received by the Company from the Australian Securities Commission,

on the same date that those notices or other information are provided to the Australian Securities Commission or received by the Company.

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.

PART 5 - GRANT OF THE CASINO LICENCE

26. GRANT OF CASINO LICENCE

26.1 Subject to:

- (a) provision of the Bank Guarantees;
- (b) payment by the Company to the State of:
- (c) the Premium Payment; and
- (d) a further amount of \$190,000,000; and
- payment by the Company of the Casino Supervision and Control Charge due on the Licensing Date,

the Authority will grant the Casino Licence for the Temporary Casino and the Melbourne Casino to the Company on the Licensing Date.

- 26.2 While the Casino Licence remains in force, the Authority undertakes not to grant a casino licence to any person enabling any person other than the Company to operate a casino:
 - (a) anywhere in the State prior to 6 years from the Licensing Date; and
 - (b) in those parts of the State within a radius of 150 kilometres from the Site, prior to 12 years from the Licensing Date.
- 26.3 If after the Melbourne Casino opens for business:

- the Melbourne Casino is Completely Destroyed by an Extension Event prior to the end of the exclusivity period in clause 26.2(b); and
- in the reasonable opinion of the Authority the Company acts diligently to reinstate the Melbourne Casino,

the period in clause 26.2(b) shall be extended by the Extension Period.

26.4 For the purposes of clause 26.3 and this clause 26.4, the following words or phrases have the following meanings:

'Completely Destroyed' means destruction or damage to the Melbourne Casino or any other Extension Event which causes the complete closure of the Melbourne Casino;

'Extension Period' means the lesser of:

- (a) 12 months; and
- the period from the Destruction Date to the date on which the Melbourne Casino reopens for business;

'Destruction Date' means the date on which the Melbourne Casino is Completely Destroyed;

'Extension Event' means:

- (a) a Force Majeure Event; or
- (b) any other event or circumstance which is outside the control of the Company and has not been directly or indirectly caused by an act or omission of the Company or any of its Associates,

but does not include an event which would not have occurred if the Company had exercised reasonable care and diligence.

- 26.5 If the Company wishes to apply to the Authority for a further casino licence upon the expiration of the Casino Licence, it may do so in accordance with the following provisions:
 - (a) if the Company is not in breach of any material provision of this document or of any other Transaction Document, the Company may at any time during the period commencing on the date being the first day of the fifth last year of the term of the Casino Licence and terminating on the date being the last day of the fifth last year of the term of the Casino Licence give notice in writing to the Authority that the Company wishes to apply for the grant of a new licence to operate a casino in the Melbourne Casino Complex;
 - (b) following the giving of the notice under clause 26.5(a), the Authority shall within six months inform the Company of the basis on which the Authority is prepared to grant a new licence to operate a casino in the Melbourne Casino Complex and thereafter the Authority shall negotiate with the Company in good faith with a view to reaching agreement on a basis upon which the Authority is prepared to grant the new licence to the Company;

- (c) the Authority shall have no obligation under this clause 26.5 other than to notify the Company of the basis on which the Authority is prepared to grant a new licence and thereafter to negotiate in good faith with the Company;
- (d) the Company shall have no right or expectation of any nature whatever to the grant of a new casino licence following the expiration of the Casino Licence; and
- (e) if by the first day of the last year of the term of the Casino Licence, agreement has not been reached between the Authority and the Company for the grant of a new casino licence to the Company, the Authority shall be free to grant a new casino licence to any other person with effect from or after the date of expiry of the Casino Licence on such terms and conditions as the Authority in its absolute discretion determines to be appropriate.

GAMES

- 27.1 The Authority will publish a notice pursuant to section 60 of the Casino Control Act to enable the conduct and playing in the Temporary Casino and the Melbourne Casino of the following games, which must be conducted or played in accordance with the rules approved by the Authority under that section:
 - (a) Blackjack;
 - (b) American Roulette;
 - (c) Baccarat;
 - (d) Mini Baccarat;
 - (e) Craps;
 - (f) Two-up;
 - (g) Mini-Dice;
 - (h) Wheel of Fortune;
 - (i) Sic-Bo;
 - (j) Pai Gow;
 - (k) Keno;
 - (l) Poker;
 - (m) French Roulette; and
 - any other game approved by the Commission for use by the Company.
- 27.2 The Authority approves for the Temporary Casino and the Melbourne Casino all games which are approved as of the date of this document to be played on a gaming machine by the Victorian Gaming Commission and those games shall be taken to be included in the list in clause 27.1.

- 27.3 The Authority will use its good offices with the State to endeavour to procure that the State will approve:
 - the offering of linked jackpots for games conducted in the Temporary Casino or the Melbourne Casino; and
 - (b) the joining in the linking of games with other casinos, hotels, clubs and other venues for the purposes of providing linked jackpots on gaming machines or Club Keno.
- 27.4 In approving rules for games under section 60 of the Casino Control Act and giving directions under section 61, the Authority shall consult with the Company and shall have regard to the equivalent rules, commercial terms and regulations applicable to other casinos in Australia.

28. CASINO OPERATING PRACTICES

- 28.1 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.
- 28.2 The Company's obligations under Clauses 22.1(ra), (v), (w) and (x)are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), such material and adverse effects to be established in accordance with this Clause 28. For the purpose of this Clause 28.2, a statute, regulation or action will be deemed to have been "specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in comparison to its effects on other Victorian businesses, employers or taxpayers.
- 28. 3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the amendments referred to in Clause 28.2.
- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has been materially and adversely affected will be determined by an independent expert as follows:

- (a) The independent expert will be chosen by agreement between the Commission and the Company or, where the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
- Both parties shall be entitled to make written submissions to the independent expert;
- (c) The decision of the independent expert shall be final and binding on the parties; and
- (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert.

PART 6 - ENCUMBRANCES AND ASSIGNMENTS

29. ENCUMBRANCES

- 29.1 The Company must not create or permit to subsist any Encumbrance over or in relation to any Assets and Rights of the Company other than:
 - (a) Encumbrances solely over any Assets or Rights which are not Casino Assets and where the Encumbrances do not, together, secure actual or contingent indebtedness exceeding, in the aggregate, \$1,000,000;
 - (b) liens arising solely by operation of law (or by an agreement to the same effect) in the ordinary course of the business of the Company where the amount secured:
 - (i) has been due for less than 30 days; or
 - (ii) is being contested in good faith and by appropriate means;
 - (c) without limiting paragraph (b), retention of title arrangements, where the amount payable:
 - (i) has been due for less than 30 days; or
 - (ii) is being contested in good faith and by appropriate means;
 - (d) the Encumbrances referred to in clause 30; or
 - (e) any other Encumbrances created or subsisting with the prior approval in writing of the Authority;

except with the prior approval in writing of the Authority and in compliance with any terms or conditions on which that approval is given.

- 29.2 Except with the prior approval in writing of the Commission, the Company must not dispose of:
 - (a) Casino Assets except:
 - in the ordinary course of the business of operating the Melbourne Casino; or
 - (ii) obsolete or surplus Casino Assets on ordinary commercial terms; and
 - (b) assets that are not Casino Assets which (assuming the Site Lease had expired) revert to Her Majesty under Part 13 of the Site Lease.
- 29.3 Not Used
- 29.4 In clause 29.2 'dispose' includes:
 - (a) a disposition of any estate or interest in any manner including by way of sale, transfer, assignment, lease, letting, licence, surrender or abandonment; and
 - (b) entering into an agreement or arrangement to effect a disposition,

whether in either case for valuable consideration or not.

30. PERMITTED ENCUMBRANCES

- 30.1 The Authority has consented to the creation of Encumbrances by the Company under and in accordance with the securities identified in paragraphs (a)⁵⁸ of the definition of Financiers' Securities in the Master Security Agreement⁵⁹.
- 30.2 The ranking as between the Encumbrances referred to in clause 30.1 and the Fixed and Floating Charge and other matters regarding the enforcement of Encumbrances will be regulated by the Master Security Agreement.
- 30.3 The Company must give prompt notice to the Authority of any Lease that the Company proposes to enter into for, or for the financing of:
 - any asset necessary for or incidental to the operation of the Melbourne Casino or Temporary Casino; or
 - (b) any asset whatever having a value, either separately or when aggregated with the value of other assets or equipment leased from the same lessor or related bodies corporate of that lessor, exceeding \$1,000,000;

and before entering into that Lease (or if it has already entered into such Lease, then on request by the Authority) the Company must procure that the lessor of any such equipment or asset enters into a supplemental agreement with the Authority regulating access to and entitlement to that equipment or asset on terms satisfactory to the Authority.

Varied by Master Security Agreement dated 30 July 1997.

Varied by Master Security Agreement dated 30 July 1997.

PART 7 - TERMINATION

31. TERMINATION OF THIS DOCUMENT

- 31.1 This document will automatically terminate:
 - (a) without notice to the Company if the Casino Licence is:
 - (i) surrendered; or
 - (ii) cancelled; or
 - (b) when the Casino Licence expires due to the effluxion of time.

Such termination does not affect the ability of either party to enforce a right which may have accrued to it under this document prior to such termination.

- 31.2 Subject to the Master Security Agreement, it shall be a contravention of a condition of the Casino Licence enabling the Authority to serve a notice on the Company pursuant to section 20(2) of the Casino Control Act if any of the following events occurs:
 - (a) the Company commits a breach of any provision of this document (other than clauses 32.1 and 32.2), and the Authority has given a notice ('Notice') to the Company detailing the particulars of the breach unless:
 - if the breach is capable of remedy:
 - it is remedied within the cure period allowed in the Notice which shall not be less than 60 days to the reasonable satisfaction of the Authority; or
 - (B) the Company:
 - is diligently pursuing a course of action which could reasonably be expected to remedy the breach in a period of time reasonably acceptable to the Authority; and
 - (ii) is making satisfactory progress with such course of action; or
 - (ii) if the breach to which the Notice refers is not capable of remedy:
 - (A) the Company is complying to the reasonable satisfaction of the Authority with any reasonable requirements of the Authority in relation to the breach or is attending to the reasonable redress of the prejudice arising from the breach, default or event in the manner specified in the Notice; or
 - (B) the payment of damages constitutes in the reasonable opinion of the Authority, as the case may be, proper redress and the required

amount of damages is paid within 15 Business Days of the date for payment as specified in the Notice;

- (aa) an Event of Default (as described in the Deed of Undertaking and Guarantee) occurs under the Deed of Undertaking and Guarantee;
- (b) any of the following occurs and the Company does not within 10 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:
 - a provisional liquidator or administrator is appointed to the Company;
 - (ii) a Receiver is appointed to any of the Casino Assets;
 - (iii) any Encumbrance becomes enforceable and the holder of the Encumbrance takes possession of any of the Casino Assets; or
 - (iv) a judgment is obtained against the Company and execution or other process of any Court or other authority is issued against or is levied or enforced upon any of the Casino Assets;
- (e) a liquidator is appointed to the Company;
- (d) prior to Completion, the Financiers terminate their obligations under the Facility Agreement, or otherwise permanently refuse to permit any further drawings under the Facility Agreement or the facilities provided or available under the Facility Agreement, and the Company does not within 20 Business Days of the occurrence of the event establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents;
- (e) a Notice of Intention pursuant to the Supplemental Development Agreement is given by the Developer under that agreement and is not withdrawn within 10 Business Days;
- a Notice of Intention pursuant to the Contractor's Deed is given by the Contractor under that deed and is not withdrawn within 10 Business Days;
- except with the prior consent in writing of the Authority the members resolve to wind up the Company;
- (h) the Site Lease is terminated or surrendered:
- prior to Completion of the Melbourne Casino any one of the Temporary Casino Leases is terminated (other than by effluxion of time) or surrendered;
- (j) prior to the subscription by the Founding Shareholders for all the Shares for which they have agreed to subscribe under the Founding Shareholders Agreement, any of the following occurs and the Company does not within 10 Business Days after the Authority has given notice to the Company remedy the event or redress the prejudice arising from the event or establish to the reasonable satisfaction of the Authority that despite the occurrence of the event the Company will be able to perform its obligations under the Transaction Documents:

- a Founding Shareholder fails to comply with any obligation to subscribe for Shares in accordance with the provisions of the Founding Shareholders Agreement;
- (ii) a Receiver, provisional liquidator, liquidator or administrator is appointed to a Sponsor; or
- (iii) except with the prior consent in writing of the Authority the members resolve to wind up a Sponsor; or
- (k) Shares having an aggregate subscription amount of \$210,000,000 have not been subscribed for by the Licensing Date by persons other than the Founding Shareholders and within 10 Business Days of the Licensing Date the Company has not established to the reasonable satisfaction of the Authority that the Company will despite this be able to perform its obligations under the Transaction Documents.
- 31.3 The Authority may in its absolute discretion extend any time period referred to in clause 31.2.
- 31.4 Nothing in clause 31.2 shall prevent the Authority from issuing a notice under section 20(2) of the Casino Control Act in order to issue a letter of censure or to impose a fine in accordance with the provisions of the Casino Control Act.
- 31.5 Subject to clause 26 of the Management Agreement, on termination of this document:
 - (a) except as otherwise provided by this document all rights of the Company to, in or under this document will cease but without prejudice to the liability of any party in respect of any antecedent breach or default under this document or in respect of any indemnity or other payment obligation under this document;
 - (b) all moneys owing or remaining unpaid (and whether actually or contingently) to the Authority will (to the extent not then due) become immediately due and payable and the Company must immediately pay all those moneys to the Authority; and
 - (c) except as otherwise provided in this document, neither the Company nor an Sponsor or any other person will have any claim against the Authority with respect to any matter or thing in or arising out of this document and in particular, but without limiting the generality of the preceding paragraphs, the Company will have no claim to the repayment of all or any part of the Licensing Payment Amounts.
- 31.6 Without limiting the Authority's or the State's rights under the Fixed and Floating Charge or otherwise, in the event of the termination of this document neither the Company nor any other person is permitted (without the prior approval in writing of the Authority) to remove from the Casino Complex or the Site or the Temporary Casino Complex or the Temporary Casino Site any gaming equipment, equipment, furniture or fittings necessary for or incidental to the operation of the Melbourne Casino or the Temporary Casino, as the case may be, and the Authority is and will be entitled for so long as it deems fit to use all that gaming equipment, equipment, furniture and fittings for the purpose of operating the Melbourne Casino or the Temporary Casino.

- 31.7 The Company irrevocably appoints the Authority and each of its officers and any manager appointed by the Authority under the Casino Control Act jointly and severally to be its attorney and in its name and on its behalf to exercise, sign and do all assurances, deeds, instruments, agreements, acts and things which in the opinion of the Authority or such officer, manager are necessary or expedient to give effect to any right, power or remedy conferred under or in relation to any Transaction Document or the Casino Control Act or are necessary or expedient that the Company do.
- 31.8 The power of attorney granted under clause 31.7 survives termination of this document but may only be exercised if an event specified in clause 31.2 has occurred and has not been remedied or waived.

PART 8 - COMPLEMENTARY AGREEMENTS

32. COMPLEMENTARY AGREEMENTS

- 32.1 The Company undertakes that it will not, without the prior written consent of the Authority:
 - (a) give or recognise any waiver under a Complementary Agreement;
 - (b) amend, supplement or otherwise modify a Complementary Agreement;
 - assign (whether absolutely or by way of security), novate or otherwise transfer its rights or obligations under a Complementary Agreement;
 - (d) give or permit to be created any Encumbrance over its rights under a Complementary Agreement;
 - (e) terminate a Complementary Agreement; or
 - (f) agree to do any of the above,

where to do so would have a material and adverse effect on the Company's ability to construct or operate the Temporary Casino or the Melbourne Casino in accordance with this document.

- 32.2 The Company must comply with all of its obligations under the Complementary Agreements and must use its best endeavours to ensure that the other parties to the Complementary Agreements (other than the State and the Authority) comply with their respective obligations, where a failure to do so in either case would have a material and adverse effect on the ability of the Company to construct or operate the Temporary Casino or the Melbourne Casino in accordance with this document.
- 32.3 The Company must comply with all of the obligations under the Company's memorandum and articles of association which are relevant or relate to the provisions in clause 22.

- ⁶⁰32.4 The Company undertakes to the Authority that by 31 March 1994 the Company will obtain an enforceable commitment upon terms and from persons approved in advance by the Authority that such persons shall provide to the Company not less than \$50,000,000, whether by way of capital subscription or financial accommodation. Such funds shall be in addition to all funds committed to the Company as of the Licensing Date (whether debt or equity).
- 32.5 The approval of the Authority under clause 32.4 shall not be unreasonably withheld.
- 6132.5 Any agreement entered into by the Company pursuant to clause 32.4 shall be a Complementary Agreement for the purposes of this document.
- 32.6 The parties acknowledge that the underwriting agreement dated 23 August 1993 (being one of the agreements referred to in the definition of the Underwriting Agreement in clause 2) shall not be a Complementary Agreement for the purposes of this document.
- 32.7 The obligations of the Company under clause 32.4 do not derogate from the obligations of the Company under clause 22.1(m) of this document.

PART 9 - GENERAL

33. COMPANY RELIES ON OWN JUDGMENT

- 33.1 Save where a statement, representation or warranty is given in its favour, under this document or any Transaction Document, the Company acknowledges that it is entering into this document in reliance on its own judgment and following review of the Site and the Temporary Casino Site and the business opportunity provided by, among other things, the Casino Licence, and not in reliance on any conduct of or statements, warranties or representations made to the Company or to any other person by or on behalf of the Authority or any of its servants, agents or consultants.
- 33.2 Save for any statement, representation or warranty made in the Company's favour under this document or any Transaction Document, the Company acknowledges and agrees that no action lies against the Authority or any of its servants, agents or consultants and that no compensation of any kind is payable to the Company in relation to anything done or purported to be done or not done for the purposes of the establishment or operation of the Temporary Casino, Temporary Casino Complex, Melbourne Casino or Melbourne Casino Complex prior to the execution of this document.
- 33.3 Without limiting the generality of clause 33.2, the Company agrees not to take action or make any claim for compensation, damages, costs or expenses against the Authority or any of its servants, agents or consultants in relation to the condition of the Site or the Temporary Casino Site or any third party rights in relation to the Site or the Temporary Casino Site and hereby releases each of those persons from any action or claim whether or not that action or claim is known or foreseeable at the date of this document.

Inserted by Agreement dated 19 November 1993.

Inserted by Agreement dated 19 November 1993

33.4 Nothing in this clause 33 limits any liability of Golder Associates Pty Ltd to the Company.

34. INDEMNITY

- 34.1 The Company indemnifies and will keep indemnified the Authority and its servants, agents and consultants in respect of all actions, claims, demands or costs of third parties arising out of or in connection with any work carried out by or on behalf of the Company pursuant to this document or relating to the Company's operations (including but not limited to the operations of the Temporary Casino Complex and the Melbourne Casino Complex) or arising out of or in connection with the construction, financing, maintenance or use of the Temporary Casino Complex or the Melbourne Casino Complex except expenses of the Authority which are covered by the Casino Supervision and Control Charge.
- 34.2 The indemnity in clause 34.1 does not apply to the extent that any actions, claims, demands or costs arise as a result of the negligence or wilful default of the Authority.

INSURANCE

- 35.1 The Company must:
 - (a) insure and keep insured all of its Assets and Rights for the following:
 - business interruption insurance (including insurance for the payment of all casino taxes) for the Melbourne Casino;
 - (ii) products and public liability insurance; and
 - (iii) real and personal property (also known as building and contents or industrial special risks) insurance (at replacement value) for the entire Melbourne Casino Complex,

and for each insurance policy the interests of the State, the Commission and any Mortgagees must be noted by endorsement on the policy or if the Commission so directs, in the joint names of the Company and the State and the Commission for their respective rights and interests;

- (b) immediately deliver the insurance policies referred to in paragraph (a) to the Authority (unless the Company is unable to do so under the terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient) and, on request, deliver certificates of currency in respect of those insurance policies;
- (c) punctually pay all premiums and sums necessary (including stamp duty) for effecting and keeping current every insurance policy and, promptly on request, hand to the Authority the receipt for any premium or sum paid;
- (d) immediately after they are effected, deliver to the Authority all variations, alterations and additions to any existing insurance policies and all additional or substitute insurance policies (unless the Company is unable to do so under the

- terms of a Permitted Encumbrance which has priority over the Fixed and Floating Charge, in which case copies will be sufficient); and
- (e) immediately after it becomes aware that it has occurred, notify the Commission of any occurrence wholly or partly within the <u>Melbourne Casino Complex</u> which gives or might give rise to a claim or a right to claim under any insurance policy where the State is a party to the claim or the claim may adversely affects the State.

35.2 The Company must not:

- do or allow to be done anything which might cause any policy of insurance to be prejudiced or rendered void, voidable or unenforceable;
- (b) without the prior consent in writing of the Authority, cause, or take any steps to bring about, the cancellation of, or a material change or reduction in, the cover provided under any insurance policy;
- (c) effect any insurance in respect of the Assets and Rights other than as specified in clause 35.1; or
- (d) make, enforce, settle or compromise a claim or do anything inconsistent with the powers or interests of the Authority.
- 35.3 Subject to the Master Security Agreement, all proceeds of insurance received by the Company as a result of any claim must be applied by the Company to rectify, remedy or repair the property involved or loss or damage which gave rise to the claim.

36. CONFIDENTIALITY

- 36.1 All documents and information provided by one party to another party under this document must be kept confidential and not disclosed to any person without the consent of the other party unless:
 - (a) the information is in the public domain;
 - (b) disclosure is required by law;
 - (c) the disclosure is necessary for the purpose of obtaining any consent, authorisation, approval or licence from any government or public body or authority;
 - (d) it is necessary or desirable that the disclosure be made to any taxation or fiscal authority;
 - (e) the disclosure is made on a confidential basis to the officers, employees or agents of a party or to the professional advisers of a party for the purposes of obtaining professional advice in relation to any Transaction Document or the enforcement of any Transaction Document or otherwise for the purpose of consulting those professional advisers;
 - the disclosure is made by the Company on a confidential basis to any actual or prospective financier or agent of a financier to the Company;
 - (g) the disclosure is necessary in relation to any procedure for discovery of documents or any proceedings before any court, tribunal or regulatory body; or

- (h) the disclosure is necessary to obtain listing on the Australian Stock Exchange.
- 36.2 The obligations in clause 36.1 apply after termination of this document.
- 36.3 This Clause 36 does not apply to:
 - (a) this document;
 - (b) any document varying or amending this document after such variation or amendment takes effect;
 - (c) the Casino Licence; or
 - 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.

37. APPROVALS

- 37.1 The Authority in exercising any right, power, privilege or discretion conferred on it by this document must act having regard to:
 - (a) the Authority's objects as set out in Section 140 of the Casino Control Act; and
 - (b) the rights, powers, privileges and discretions conferred and the duties and obligations imposed on the Authority under the Casino Control Act.
- 37.2 Unless otherwise stated in this document, if the Company makes a written request for an approval or consent from the Authority under this document and the Authority has not responded in writing within the time specified below from receipt by the Authority of that written request, then the Authority will be taken to have given that approval or consent:
 - (a) Clauses 22.1 (c), (f), (i), (j), (k), (l), (m), (p) and (q) 20 Business Days;
 - (b) Clauses 29.1 and 29.2 10 Business Days;
 - (c) Clause 31.6 20 Business Days;
 - (d) Clauses 32.1 and 32.4 10 Business Days; 62
 - (e) Clause 35.1(a) 10 Business Days;
 - (f) Clause 36.1 10 Business Days;
 - (g) Clause 43 20 Business Days.

⁶²

37.3 Nothing in this clause 37 shall fetter the powers, rights or obligations imposed or conferred on the Authority under any Act or regulation.

8. DAY OF PAYMENT

If any day for the payment of money under this document falls on a day which is not a Business Day, the payment will be due on the next day which is a Business Day.

NOTICES

- 39.1 A notice or approval required or to be given under this document must be:
 - (a) in writing;
 - (b) delivered by hand or served by prepaid post or facsimile to the recipient at its address or facsimile number appearing in this clause or such other address or facsimile number as the recipient may have notified to the other party:
 - "(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"

- 39.2 A notice or approval given in accordance with clause 39.1 is taken to be received:
 - if hand delivered, on the day of delivery if delivered before 4.00 pm on a Business Day and otherwise on the Business Day next following;
 - (b) if sent by prepaid post, 3 days after the date of posting; or
 - (c) if sent by facsimile, on the day on which the message confirmation is received if received before 4.00 pm on a Business Day and otherwise on the Business Day next following.
- 39.3 The provisions of clause 39 are in addition to any other mode of service permitted by law.

40. COSTS AND STAMP DUTY

- 40.1 Each party must pay its own costs of preparing and executing this document.
- 40.2 The Company must pay all stamp duty on this document and on any document executed to give effect to this document.

41. NO WAIVER

A failure of a party at any time to require full or part performance of any obligations under this document will not affect in any way the rights of that party to require that performance subsequently.

42. GOVERNING LAW

- 42.1 This document is governed by the laws applying in Victoria.
- 42.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and courts entitled to hear appeals from those courts.

43. ASSIGNMENT

- 43.1 The Company must not assign or attempt to assign or otherwise deal with this document or any right under this document without the prior written approval of the Authority other than pursuant to a Permitted Encumbrance.
- 43.2 The Authority may assign, transfer or dispose of its rights under this document or any other Transaction Document:
 - (a) to the State or to any department or agency of the government of the State or statutory authority or corporation which has taken over the objects and functions of the Authority under the Casino Control Act; or
 - (b) with the approval in writing of the Company to any other person, such approval not to be unreasonably withheld;

provided that the assignee enters into an agreement with the Company agreeing to be bound by the provisions of this document and each other Transaction Document to which the Authority is a party.

44. FURTHER ASSURANCES

Each party must do or cause to be done anything necessary or desirable to give effect to this document, and will refrain from doing anything which might prevent full effect being given to this document.

45. COUNTERPARTS

- 45.1 This document may be executed in any number of counterparts.
- 45.2 All counterparts taken together will be deemed to constitute the one document.

46. SEVERABILITY

- 46.1 The parties agree that a construction of this document which results in all provisions being enforceable is to be preferred to a construction which does not so result.
- 46.2 If, despite the application of clause 46.1, a provision of this document is illegal or unenforceable:
 - if the provision would not be illegal or unenforceable if a word or words were omitted, that word or those words are severed; and
 - (b) in any other case, the whole provision is severed, and the remainder of this document continues to have full force and effect.
- 46.3 Clause 46.2 does not apply where its application alters the basic nature of this document or is contrary to public policy.

47. INTERPRETATION

- 47.1 In this document, unless the context otherwise requires or the contrary intention appears:
 - the singular includes the plural and vice versa and words importing a gender include other genders;
 - (b) terms importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies;
 - (c) a reference to any legislation, statutory instrument or regulation is construed in accordance with the Acts Interpretation Act 1901 (Cth) or the equivalent State legislation, as applicable, and includes any re-enactment or amendment to that legislation, statutory instrument or regulation;
 - (d) other grammatical forms of defined words or phrases have corresponding meanings;
 - (e) a reference to a clause, paragraph, schedule or annexure is a reference to a clause or paragraph of or schedule or annexure to this document and a reference to this document includes any schedules and annexures;
 - (f) where a party comprises two or more persons the provisions of this document binding that party bind those persons jointly and severally;
 - (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;
 - (h) 'party' means a party to this document;
 - a reference to a party to this document or any other document or agreement includes its successors and permitted assigns;
 - a reference to a document or agreement, including this document, includes a reference to that document or agreement as novated, altered or replaced from time to time;

- (k) a reference to '\$A', 'dollar', 'AUD' or '\$' is a reference to Australian currency;
- a reference to writing includes typewriting, printing, lithography, photography and any other method of representing or reproducing words, figures or symbols in a permanent and visible form; and
- a reference to a specific time for the performance of an obligation is a reference to that time in the State;
- 47.2 In this document headings are for ease of reference only and do not affect the construction of this document.
- 47.3 The Authority is providing the undertaking in clauses 26.2 and 26.3 with the approval of the Minister in accordance with section 14 of the Casino Control Act.
- 47.4 The Authority in entering into this document does so on behalf of the State pursuant to the authority granted to the Authority under section 142 of the Casino Control Act.
- 47.5 If any ambiguity, inconsistency or conflict exists or arises between this document and the Master Security Agreement, the provisions of the Master Security Agreement take precedence and apply to resolve that ambiguity, inconsistency or conflict.
- 47.6 The Company and the Authority acknowledge that, except as expressly provided for in this document:
 - (a) nothing contained in or implied by this document prejudices or affects, or is intended in any way to impose any obligation or restriction on the Authority which conflicts with the obligations and duties of, and restrictions on, the Authority under the Relevant Legislation; and
 - (b) if there is any conflict between the provisions of this document or of any Transaction Document and the provisions of the Relevant Legislation, the provisions of the Relevant Legislation prevail.

48. GENERAL OBLIGATIONS

- 48.1 The Company must:
 - (a) maintain its corporate existence;
 - (b) comply with all laws applicable to the matters arising under this document from time to time in force including, without limitation, the Gaming Machine Control Act, and all mandatory requirements of any Public Authority;
 - (c) obtain and renew at the proper times and maintain all Authorisations required:
 - (i) for the Company to perform its obligations under this document;
 - (ii) for the Company to perform its obligations under each Transaction Document; and
 - (d) to allow this document and each Transaction Document to be enforced against it;

- (e) obtain and renew at the proper times and maintain all licences and other Authorisations required or advisable or relied on for or in connection with the carrying on of the Company's business;
- (f) comply with the terms and conditions of each Lease to which it is a party where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Temporary Casino or the Melbourne Casino;
- (g) comply with its payment obligations under any agreement for the purchase of property where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Temporary Casino or the Melbourne Casino; and
- (h) protect the Casino Assets and at the Company's expense prosecute or defend all legal proceedings that are, or the defence of which is, necessary or advisable for the protection of the Casino Assets to the extent appropriate in accordance with prudent business practice; and
- (i) carry out all work reasonably and properly required by any Public Authority in relation to the Assets and Rights where a failure to do so would have a material adverse effect on the Casino Assets or the operation of the Melbourne Casino or the Temporary Casino.
- 48.2 The Company must not, without the prior consent in writing of the State:
 - (a) Deal with or Dispose of any of the Casino Assets other than by way of maintenance, repair or replacement;
 - (b) Deal with or Dispose of any of the Casino Assets other than in the ordinary course of the Company's business;
 - (c) execute, create or permit to subsist any Encumbrance over or affecting the Casino Assets other than a Permitted Encumbrance;
 - (d) pull down, alter, extend or remove any building, improvement or fixture forming part of the Casino Assets where to do so would materially adversely affect the Casino Assets or the operation of the Melbourne Casino or the Temporary Casino;

(e)

- (f) declare or pay a dividend if a demand has been properly made on the Company under this document or any Transaction Document and has not been satisfied in full; or
- (g) do anything or allow anything to be done in derogation of the rights of the Authority or any other party under any Transaction Document;

except to the extent permitted by clause 29.

SCHEDULE ONE

CASINO CONTROL ACT 1991 (VIC)

CASINO LICENCE

VICTORIAN CASINO CONTROL AUTHORITY ('Authority') under Part 2 of the Casino Control Act 1991 (Vic) ('Casino Control Act') grants to CROWN CASINO LTD ACN 006 973 262 with its registered office at Hudson Conway House, 311 Glenferrie Road, Malvern, Victoria ('Company') the right to conduct and play games and use gaming equipment in the Casino subject to the provisions of the Casino Control Act and the conditions set out in this licence.

CONDITIONS

1. Commencement

This licence comes into force on finsert commencement date].

2. Duration

This licence ceases to have effect on [date to be determined], unless sooner cancelled or surrendered under the Casino Control Act.

3. Location and Boundaries - Temporary Casino

- 1 The Temporary Casino must be located within the Temporary Casino Complex.
- 2 The boundaries of the Temporary Casino within the Temporary Casino Complex must be those identified in the Drawings [specify reference] or as otherwise approved by the Authority.

4. Location and Boundaries - Melbourne Casino

- 1 The Melbourne Casino must be located within the Melbourne Casino Complex.
- 2 The boundaries of the Melbourne Casino within the Melbourne Casino Complex must be those identified in the Drawings [specify reference] or as otherwise approved by the Authority.

5. Conducting Temporary Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Temporary Casino or open the Temporary Casino to the public for business or otherwise:

- until the Temporary Casino has been Completed in accordance with the provisions of the Management Agreement; nor
- (b) after the Melbourne Casino is opened to the public.

6. Conducting Melbourne Casino

The Company must not conduct or play or authorise the conduct or playing of a game or the use of any gaming equipment in the Melbourne Casino or open the Melbourne Casino to the

public for business or otherwise until the Melbourne Casino has been Completed in accordance with the provisions of the Management Agreement.

7. Gaming Equipment - Temporary Casino

The Temporary Casino:

- (a) must have not more than 130 gaming tables in operation while the Temporary Casino is open for business; and
- (b) must have not more than 1300 gaming machines in operation while the Temporary Casino is open for business.

8. Gaming Equipment - Melbourne Casino

The Melbourne Casino:

- (a) must have not less than 150 and not more than 200 gaming tables in operation while the Melbourne Casino is open for business; and
- (b) must have not more than 2,500 gaming machines in operation while the Melbourne Casino is open for business.

9. Mortgage etc of Casino Licence

The Company must not:

- (a) mortgage, charge or otherwise encumber this licence; or
- (b) transfer, assign or otherwise deal with this licence,

except in accordance with the terms and conditions of the Casino Agreement and the Master Security Agreement.

10. Amendment of Licence Conditions

Notwithstanding sections 16 and 17 of the Casino Control Act, the Authority will not amend the conditions of this licence without the prior written approval of the Company except as disciplinary action under section 20 of the Casino Control Act.

11. Breach of Licence

Clause 31.2 of the Casino Agreement and clause 25.2 of the Management Agreement set out events the occurrence of which constitute a contravention of this licence and which, subject to those clauses and the Master Security Agreement, enable the Authority to cancel, suspend or vary the terms of this licence pursuant to section 20 of the Casino Control Act.

12. Definitions and Interpretation

In these conditions, unless the context otherwise requires or the contrary intention appears, terms defined in the Casino Control Act have the same meanings and the following terms have the meanings indicated if they start with a capital letter:

'Ancillary Facilities' means all facilities ancillary to the Temporary Casino or the Melbourne Casino (as the case may be) identified in the Temporary Casino Complex Development Proposals or the Melbourne Casino Complex Development Proposals (as the case may be) to be constructed on or located within the Temporary Casino Site or the Site, including a hotel, restaurant, retail, recreation, entertainment and carparking facilities, residential and office accommodation, staff facilities, staff carparking, coach storage facilities and open space areas;

'Casino' means either the Temporary Casino or the Melbourne Casino, as the case may be;

'Casino Agreement' means the agreement dated 1993 between the Authority and the Company;

'Completed' has the same meaning as in the Management Agreement;

'Drawings' means the plans, designs and working drawings relating to the Temporary Casino Complex or the Melbourne Casino Complex (as the case may be) provided by the Company to the Authority and described in Schedule Two of the Management Agreement;

'Management Agreement' means the agreement dated 1993 between the Minister, acting for and on behalf of the State, and the Company pursuant to section 15 of the Casino Control Act;

'Master Security Agreement' means the agreement of even date between the State, the Authority, the Company, National Australia Bank Limited as agent for the financiers to the Company and the Sponsors;

*Melbourne Casino' means those areas identified in the Drawings of the Melbourne Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Melbourne Casino Complex' means the Melbourne Casino and Ancillary Facilities to be constructed on or located within the Site in accordance with the provisions of the Management Agreement and Casino Agreement;

'Melbourne Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Melbourne Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification;

'Minister' means the Minister for the time being administering the Casino Control Act;

'Site' has the same meaning as in the Management Agreement;

'State' means the State of Victoria:

'Temporary Casino' means those areas identified in the Drawings for the Temporary Casino Complex as the areas which constitute a casino and includes the areas in which money counting, surveillance, storage and other activities related to the conduct and playing of games are carried on;

'Temporary Casino Complex' means the Temporary Casino and Ancillary Facilities to be constructed on or located within the Temporary Casino Site in accordance with the provisions of the Management Agreement and the Casino Agreement;

'Temporary Casino Complex Development Proposals' means the proposals of the Company in relation to the construction, development and establishment of the Temporary Casino Complex a copy of which has been signed on behalf of the Authority and the Company for the purposes of identification; and

'Temporary Casino Site' has the same meaning as in the Management Agreement.

- 2 In this licence, unless the context otherwise requires or the contrary intention appears:
- a reference in this licence to a party to an agreement or document includes the party's successors and permitted substitutes or assigns;
- (b) a reference in this licence to an agreement or document is to the agreement or document as amended, novated, supplemented or replaced from time to time;
 and
- (c) a reference in this licence to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

1993.

	25.50
THE COMMON SEAL of VICTORI	AN)
CASINO CONTROL AUTHORITY)
is affixed in accordance with)
the directions of the Members)
pursuant to a resolution dated)
1993)
Chairman	Chief Executive Officer

DATED

SCHEDULE TWO

COMPLEMENTARY AGREEMENTS

- . the Founding Shareholders' Agreement;
- . the Development Agreement;
- . the Construction Agreement;
- . the Finance Documents;
- the Operations Agreement;
- . the Underwriting Agreement;
- the Guarantee and Indemnity for Development Agreement;
- the Note Agreement;⁶³
- the Trust Deed;64
- the Note Agreement (Series 2); and65
- the Trust Deed (Series 2).66

inserted by Agreement dated 7 March 1995.

⁶⁴ Inserted by Agreement dated 7 March 1995.

⁶⁵ Inserted by Agreement dated 8 May 1997.

Inserted by Agreement dated 8 May 1997.

SCHEDULE THREE

WARRANTIES OF THE COMPANY

- The Company has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation, with full power and authority to enter into this document and perform its obligations under this document.
- 2. This document has been duly authorised, executed and delivered by the Company and constitutes (except to the extent limited by equitable principles, laws relating to penalties and laws affecting creditors' rights generally) a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, and no other proceedings on the part of the Company are necessary to authorise this document and the completion of the transactions contemplated under this document.
- The execution and delivery by the Company of this document and the performance by the Company of its obligations under this document in accordance with its terms do not:
- (a) conflict with the constitution or by-laws of the Company;
- (b) constitute a violation of or default under any agreements or arrangements to which the Company is a party;
- except as provided in this document, cause the creation of any Encumbrance upon any of the property of the Company; or
- (d) contravene any law.
- A Receiver has not been appointed to the whole or any part of the assets
 or undertaking of the Company or any Related Party and no such
 appointment has been threatened or is envisaged by the Company.
- 5. Neither the Company nor any Related Party is in liquidation or administration and no order, petition, application, proceedings, meeting or resolution has been made, presented, brought, called or passed for the purposes of liquidating the Company or any Related Party or placing the Company or any Related Party under or in administration.
- Neither the Company nor any Related Party is insolvent within the meaning of section 95A of the Corporations Law or otherwise and there is no unfulfilled or unsatisfied judgment or court order outstanding against the Company or any Related Party.
- 7. As at 16 August, 1993 the unaudited accounts of the Company for the period to 30 June 1993 have been prepared in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date and as at the Licensing Date the audited accounts of the Company for the period to 30 June 1993 have been prepared

in accordance with Australian Accounting Standards to give a true and fair view of the state of affairs of the Company as at that date.

- All information provided in writing by or on behalf of the Company to the Authority was when given in all material respects true and accurate and not misleading by omission.
- As at the Licensing Date, the Company will have an issued capital of at least \$350,000,000 comprising 350,000,000 fully paid Shares issued as follows:

Sponsors and Founding Shareholders 140,000,000 Institutional Equity 210,000,000 350,000,000

10. Hudson Conway Limited ACN 009 556 629 and CUB have given notice to the Treasurer of their proposed interest in the Company in accordance with the provisions of the Foreign Acquisitions and Takeovers Act 1975 (C'th) and the Treasurer has informed them that there are no objections to Hudson Conway Limited and CUB acquiring a substantial shareholding in the Company.

SCHEDULE FOUR

QUARTERLY REPORT TO AUTHORITY

The quarterly report to the Authority will consist of the following items:

- profit and loss account and cashflow statements comparing budget against actual for the year to date
- balance sheet at the last days of March, September and December
- budgeted profit and loss and cashflow statements to end of current financial year.

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.	30 days after the minutes are confirmed.
	A copy of the papers prepared for and considered by the Company's Audit Committee and the Company's Compliance Committee	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.
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 Corporations Act (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,	Annually, at the same time as submission of detailed annual financial statements

Information to be Submitted	Time for Submission of
	Information
refurbishment and new works.	(see item 7, above)."

EXECUTED as an agreement.

THE COMMON SEAL of VICTORIAN CASINO CONTROL AUTHORITY [as then known] is affixed in)	
accordance with the directions	1	Common Seal
of the Members pursuant to a	1	F.000000000000000000000000000000000000
resolution dated 5 September	í	
1993)	
J.R. Richards		P.J. Connolly

Chairman		Chief Executive Officer
THE COMMON SEAL of)	
CROWN CASINO LTD. [as then)	
known] is affixed in)	
accordance with its articles)	Common Seal
of association in the presence)	
of)	
Peter Jonson		B. Hamilton
***************************************	****	
Signature of Secretary/Director	Sig	gnature of Director
Peter Jonson		Barry J. Hamilton
Name of Director		Name of Director
(please print)		(please print)

DATED 21 SEPTEMBER 1993

VICTORIAN CASINO AND GAMING AUTHORITY ('Authority')

CROWN LIMITED ACN 006 973 262 ('Company')

MELBOURNE CASINO PROJECT

CASINO AGREEMENT

[CONFORMED COPY - AS VARIED BY VARIATION AGREEMENTS 1 TO 8 AND THE MASTER SECURITY AGREEMENT]

MINTER ELLISON

Lawyers 40 Market Street MELBOURNE VIC 3000 DX 204 MELBOURNE

Telephone (03) 9229 2000 Facsimile (03) 9229 2666

Melbourne Casino Project

Ninth Variation Agreement To The Casino Agreement

Victorian Commission for Gambling Regulation

and

Crown Limited ACN 006 973 262

MELBOURNE CASINO PROJECT NINTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

THIS AGREEMENT is made on

2004

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:

- 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
- (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);
- 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 must ensure that the Holding Company Group locates the headquarters of its gaming business in Melbourne;"
- 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,

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 procuration of the alternative project as required by clause 5 of Schedule 8 of the Casino (Management Agreement) Act 1993;"

- 2.9 Insert the following as Clauses 22.1(w) and (x):
 - "(w) the Company will endeavour to maintain the Melbourne Casino as the dominant Commission Based Player casino in Australia;
 - (x) the Company 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."
- 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.	Within 30 days after the minutes are confirmed.
	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 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.
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 Corporations Act (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.

	Information to be Submitted	Time for Submission of Information
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:

- 28.1 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.
- 28.2 The Company's obligations under Clauses 22.1(ra), (v), (w) and (x) are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), such material and adverse effects to be established in accordance with this Clause 28. For the purpose of this Clause 28.2, a statute, regulation or action will be deemed to have been "specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in

comparison to its effects on other Victorian businesses, employers or taxpayers.

- 28.3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the actions referred to in Clause 28.2.
- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has demonstrated that it has been materially and adversely affected will be determined by an independent expert as follows:
 - (a) The independent expert will be chosen by agreement between the Commission and the Company or, where the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
 - Both parties shall be entitled to make written submissions to the independent expert;
 - (c) The decision of the independent expert shall be final and binding on the parties; and
 - (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert."
- 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:
 - (a) Casino Assets except:
 - in the ordinary course of the business of operating the Melbourne Casino; or

- (ii) obsolete or surplus Casino Assets on ordinary commercial terms; and
- (b) assets that are not Casino Assets which (assuming the Site Lease had expired) revert to Her Majesty under Part 13 of the Site Lease.
- 29.3 Not Used"
- 2.14 2.14.1 Delete the existing Clause 35.1(a) and insert in its place the following:
 - "(a) insure and keep insured all of its Assets and Rights for the following:
 - business interruption insurance (including insurance for the payment of all casino taxes) for the Melbourne Casino;
 - (ii) products and public liability insurance; and
 - (iii) real and personal property (also known as building and contents or industrial special risks) insurance (at replacement value) for the entire Melbourne Casino Complex,

and for each insurance policy the interests of the State, the Commission and any Mortgagees must be noted by endorsement on the policy or if the Commission so directs, in the joint names of the Company and the State and the Commission for their respective rights and interests;".

- 2.14.2 Delete the existing Clause 35.1(e) and insert in its place the following:.
 - "(e) notify the Commission on a monthly basis of any occurrence wholly or partly within the Melbourne Casino Complex which gives rise to a claim under any insurance policy where the State is a party to the claim or the claim may adversely affect the State."
- 2.15 Insert the following as Clause 36.3:
 - "36.3 This Clause 36 does not apply to:
 - (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.

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:)
	Commissioner
	Full name
	Commissioner
	Full name
THE COMMON SEAL of CROWN LIMITED ACN 006 973 262 was affixed in the presence of authorised persons:)
	Director
	Full name
	Usual address
	Secretary
	Full name
	Usual address

NINTH VARIATION TO THE CASINO AGREEMENT

What is the "Casino Agreement"?

The Casino Agreement is one of the key Transaction Documents¹ relating to the establishment and operation of the Melbourne Casino. It sets out certain obligations of casino operator, Crown Limited ("Crown"). A breach of these obligations may constitute a breach of the terms of the Casino Licence. The Casino Agreement was executed on 21 September 1993.

The parties to the Casino Agreement were originally the Victorian Casino Control Authority and Crown Casino Limited. The parties are now the Victorian Commission for Gambling Regulation ("the Commission") and Crown.

The parties may vary the Casino Agreement by agreement in writing. Both the Casino Agreement and section 142 of the Casino Control Act 1991 state that any variation is subject to the prior approval of the Minister. Prior to this variation, the Casino Agreement has been varied eight times.

What does the Casino Agreement provide for?

The Casino Agreement provides for a range of matters governing the construction and operation of the Melbourne Casino, including:

- the development, construction and completion of the Melbourne Casino;
- · the disclosure and provision of information and documents to the Commission;
- conditions relating to Crown's corporate structure;
- inspection of Crown's records, accounts and information by the Commission;
- the grant of the Casino licence;
- casino operating practices;
- the acquisition, disposal and encumbrance of assets;
- the insurance cover that must be maintained by Crown;
- the termination of the Casino Agreement; and
- · the general obligations of Crown to the Commission and to the State.

Other transactions Documents include the Site Lease for the Melbourne Casino Complex, the Casino Licence, and the Temporary Casino Lease etc.

What changes will be made to the Casino Agreement by the Ninth Variation Agreement?

The Ninth Variation Agreement entered into by the Commission and Crown to vary the Casino Agreement as agreed will:

- result in improved transparency by allowing the public release of the Casino Agreement and the Casino Licence and by providing for greater reporting and disclosure by Crown to the Commission;
- remove the "single purpose restriction" so as to allow Crown to operate businesses in addition to the Melbourne Casino;
- ensure that Crown, and any business owned or operated by Crown outside of Victoria, is managed from Melbourne;
- ensure that Crown's parent company, Publishing and Broadcasting Limited ("PBL") locates the headquarters of its gaming business in Melbourne;
- ensure that the Melbourne Casino is the flagship of PBL's gaming business;
- ensure that Crown endeavours to maintain the Melbourne Casino's high roller business; and
- ensure that Crown spends at least \$170M on the Melbourne Casino Complex over the next 5 years, thereby maintaining the value of the State's asset (this is in addition to a separate agreement by Crown to spend \$42M on capital works).

The "single purpose restriction" was contained in Clause 22.1(p) of the Casino Agreement and prevented Crown from conducting a business other than the Melbourne Casino business. Removing the single purpose restriction, by deleting Clause 22.1(p), allows Crown to operate businesses in addition to the Melbourne Casino and thereby allows it to compete in the national and international gaming market.

Changes have also been made to the Casino Agreement to simplify Crown's insurance obligations and to ensure that these obligations are consistent with changes in the international insurance market.

MEMORANDUM OF UNDERSTANDING WITH TOURISM VICTORIA

Crown will enter into a Memorandum of Understanding with Tourism Victoria. This will ensure that Crown maintains its commitment to tourism in Victoria by requiring Crown to spend at least \$5M per annum on marketing the Melbourne Casino Complex and Melbourne as a tourist destination. The MOU also contains other undertakings by Crown that provide further benefits to the State.

PERIODIC REVIEW OF THE CASINO OPERATOR

Section 25 of the Casino Control Act 1991 requires the Commission to conduct a periodic review of the casino operator and the casino licence. This review must currently be conducted not less than every 3 years.

The Government will introduce a bill into the Parliament to amend the Casino Control Act 1991 to expand the matters that the Commission can consider when conducting the periodic review.

Section 25 of the Casino Control Act 1991 currently only allows the Commission to consider whether the casino operator is suitable to hold the casino licence and whether it is in the public interest that the licence continue in force. Section 25 will be amended to allow the Commission to investigate and report on Crown's compliance with its obligations to the State, such as those under the Casino Agreement and other Transaction Documents, and under the Memorandum of Understanding with Tourism Victoria.

In light of this more rigorous and detailed review, the bill will also extend the time period for periodic review from not less than every three years to not less than every five years.

PUBLICISING THE CASINO AGREEMENT AND THE CASINO LICENCE

A copy of the current Casino Agreement and the Casino Licence will be published on the Commission's website at www.vcgr.vic.gov.au.

Existing Clause 28

28. CASINO OPERATING PRACTICES

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Temporary Casino and the Melbourne Casino as a discrete business operated in Melbourne in a proper and efficient manner having regard to the best operating practices in international casinos of a similar size and nature to the Melbourne Casino.

Clause 28 as previously agreed by the Commission

- 28.1 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.
- 28.2 The Company's obligations pursuant to 22.1(ra), (v), (w) and (x) are subject to and conditional on the Commission and the Victorian State Government not taking any action affecting the casino business conducted at the Melbourne Casino so as to materially and adversely affect the Company's ability to compete internationally and/or interstate.
- 28. 3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the amendments referred to in Clause 28.2.
- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has been materially and adversely affected will be determined by an independent expert as follows:
 - (a) The independent expert will be chosen by agreement between the Commission and the Company or, where the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
 - Both parties shall be entitled to make written submissions to the independent expert;
 - (c) The decision of the independent expert shall be final and binding on the parties; and
 - (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert.

Revised Clause 28

- 28.1 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.
- 28.2 The Company's obligations under Clauses 22.1(ra), (v), (w) and (x) are subject to and conditional on the Company's ability to compete internationally and/or interstate not being materially and adversely affected either by a statute or regulation of the State of Victoria, or by an action or actions of the Victorian State Government (including the Commission), which are specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), such material and adverse effects to be established in accordance with this Clause 28. For the purpose of this Clause 28.2, a statute, regulation or action will be deemed to have been "specifically intended to affect the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino)" if:
 - (a) it directly names, identifies, addresses or relates to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), whether or not it also names, identifies, addresses or relates to any other business; or
 - (b) without directly naming, identifying, addressing or relating to the casino business conducted at the Melbourne Casino or the Victorian gaming industry (inclusive of the casino business conducted at the Melbourne Casino), it has an effect on that business that is unique or preponderant or disproportionate in comparison to its effects on other Victorian businesses, employers or taxpayers.
- 28. 3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the amendments referred to in Clause 28.2.
- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has been materially and adversely affected will be determined by an independent expert as follows:
 - (a) The independent expert will be chosen by agreement between the Commission and the Company or, where

- the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
- Both parties shall be entitled to make written submissions to the independent expert;
- (c) The decision of the independent expert shall be final and binding on the parties; and
- (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert.

Existing Clause 28

28. CASINO OPERATING PRACTICES

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Temporary Casino and the Melbourne Casino as a discrete business operated in Melbourne in a proper and efficient manner having regard to the best operating practices in international casinos of a similar size and nature to the Melbourne Casino.

Clause 28 as previously agreed by the Commission

- 28.1 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.
- 28.2 The Company's obligations pursuant to 22.1(ra), (v), (w) and (x) are subject to and conditional on the Commission and the Victorian State Government not taking any action affecting the casino business conducted at the Melbourne Casino so as to materially and adversely affect the Company's ability to compete internationally and/or interstate.
- 28. 3 If the Company seeks to rely on Clause 28.2, the onus is on the Company to demonstrate that the Company's ability to compete internationally and/or interstate has been materially and adversely affected by the amendments referred to in Clause 28.2.
- 28.4 For the purpose of Clause 28.3, in the absence of an agreement between the Commission and the Company to the contrary, whether the Company has been materially and adversely affected will be determined by an independent expert as follows:
 - (a) The independent expert will be chosen by agreement between the Commission and the Company or, where the parties are unable to agree, by the President of the Institute of Chartered Accountants in Australia;
 - Both parties shall be entitled to make written submissions to the independent expert;
 - (c) The decision of the independent expert shall be final and binding on the parties; and
 - (d) The costs of the independent expert shall be paid equally by both parties provided however that if in the opinion of the independent expert the Company's claim that the condition in Clause 28.2 had not been met was frivolous, vexatious or without substance then the independent expert may determine that the Company must pay the costs of the independent expert.

Revised Clause 28

- 28.1 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.
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28. CASINO OPERATING PRACTICES

The Company must strive to obtain the maximum Gross Gaming Revenue by conducting its operations in the Temporary Casino and the Melbourne Casino as a discrete business operated in Melbourne in a proper and efficient manner having regard to the best operating practices in international casinos of a similar size and nature to the Melbourne Casino.

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- supported 28-2 subject h

light advice

- been is contact with W.

> Cate Car.

Sue Nolar VGS.



"Michael Neilson"

To: 4

CC:

Subject: RE: Casino Agreement **Virus Check by VCGR - Group Integrated Systems

24/02/2005 06:35 PM

Cate,

This looks fine to me.

Being pedantic I think the Act referred to in Recital B(a) should read "Casino (Management Agreement) Amendment Act 1994". The bracket is in the wrong place.

I will run this past Rowen and make sure he is OK with it also. I will let you know tomorrow.

Regards

Michael Neilson General Counsel Legal & Insurance Department Crown Limited

Phone: +61 3 9292 7515

Facsimile: +61 3 9292 Email:

Website: www.crowncasino.com.au

----Original Message--

From: Sent: Monday, February 21, 2005 3:53 PM

To: Michael Neilson

Subject: Casino Agreement **Virus Check by VCGR - Group Integrated Systems

Hi Michael

Please find attached a draft Eighth Deed of Variation to the Management Agreement. It follows the same format as the previous deeds.

Please let me know if you have any issues or if I have left anything out. I have assumed that Crown's registered address is Whiteman Street - is this right?

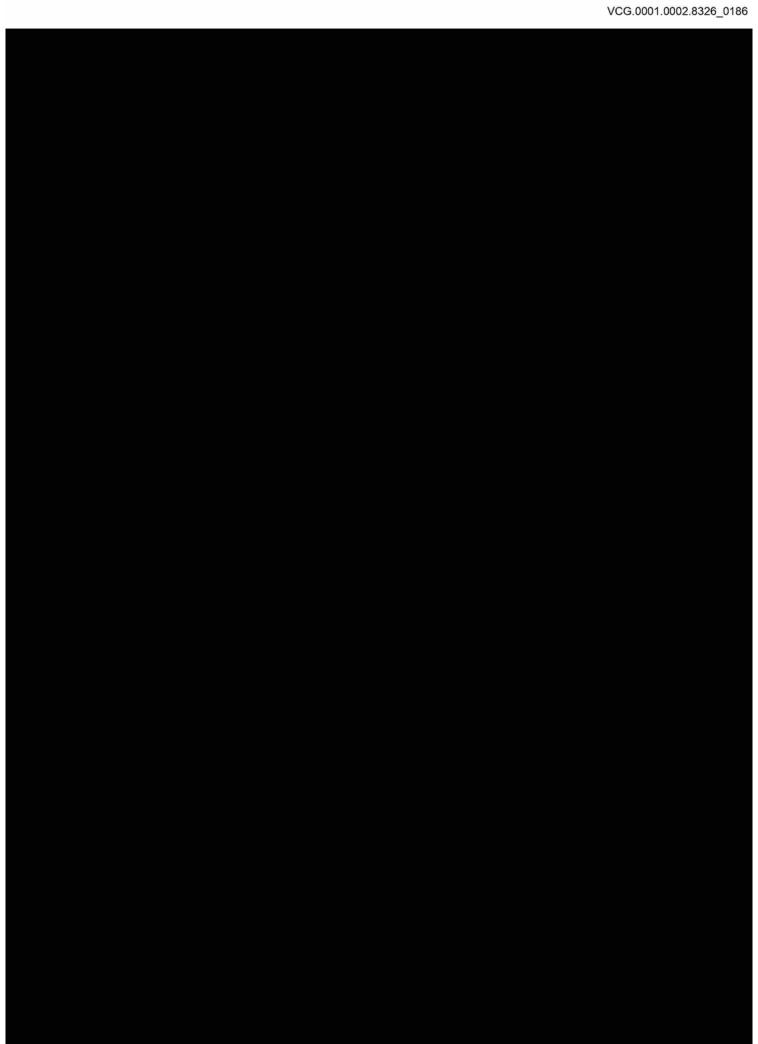
(See attached file: Eighth Deed of Variation 16.2.05.doc)

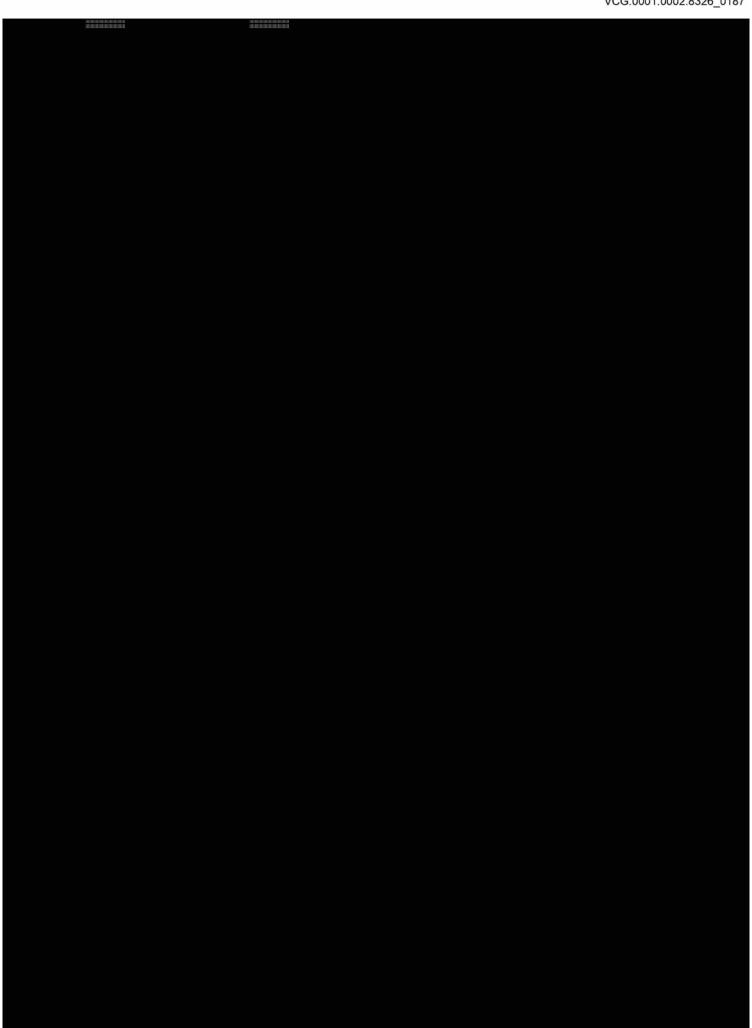
Cheers

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458 Facsimile: 96514999

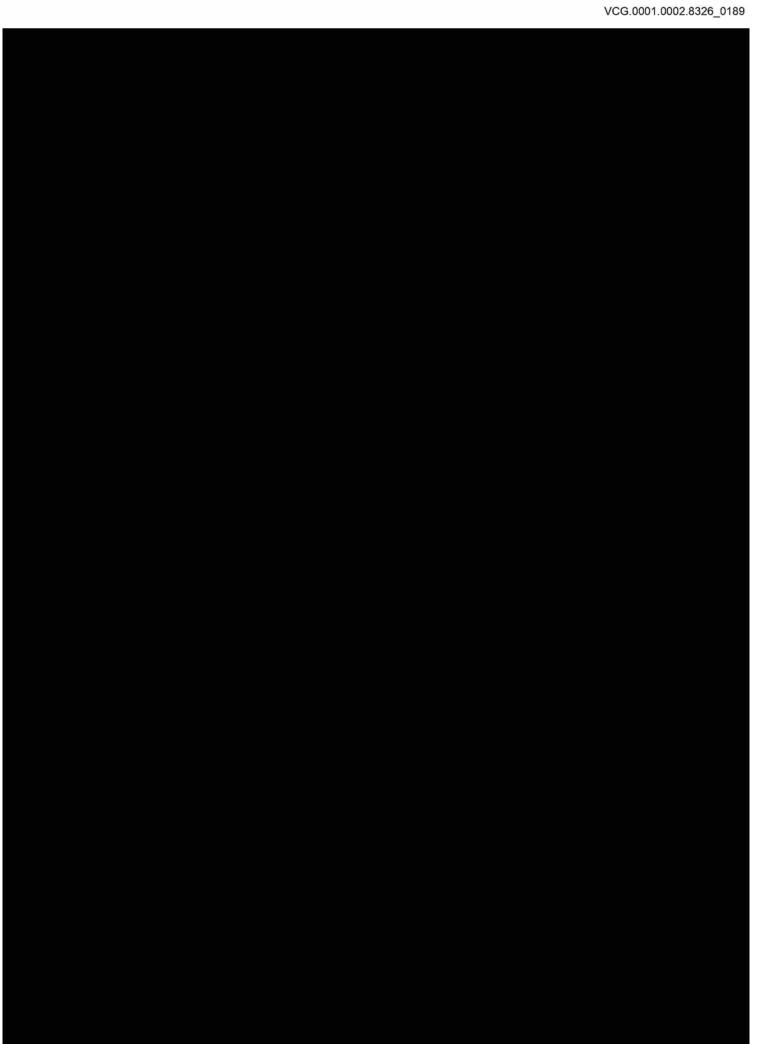
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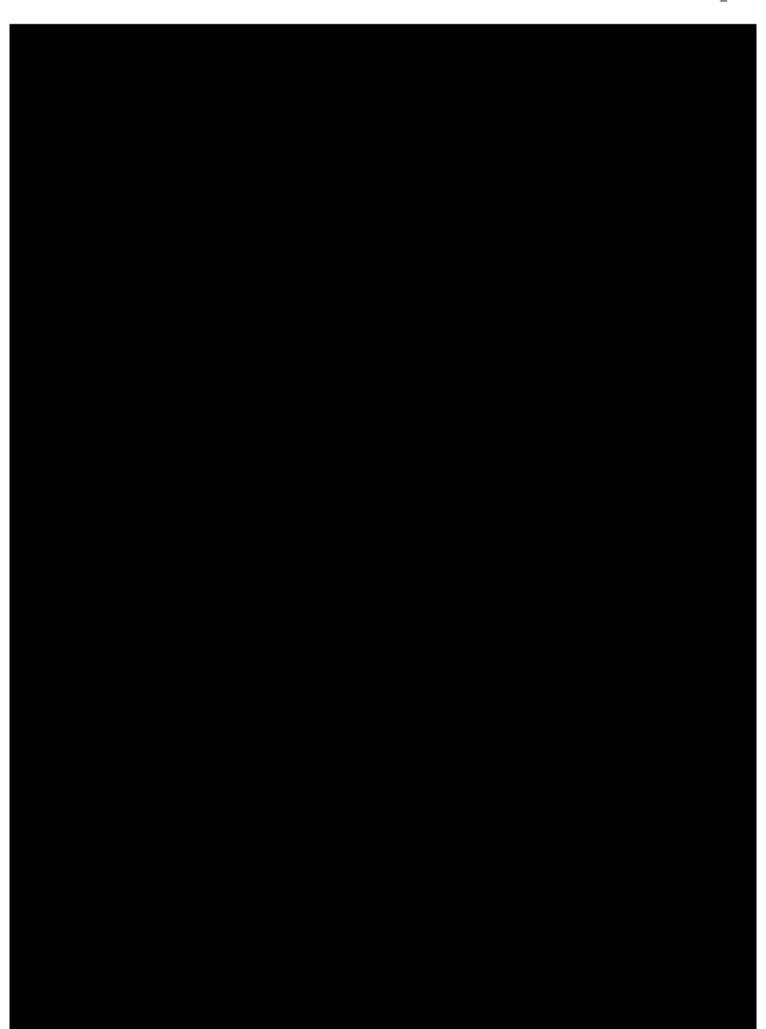
NOTE: This email communication and any attachments contain information which is confidential, the copyright of the Victorian Commission for Gambling Regulation and intended only for the addressee. If you are not the intended recipient of this communication and any attachments, you may not use, disclose, disseminate or copy them or any part of them. If you receive this communication in error, please delete the material from all

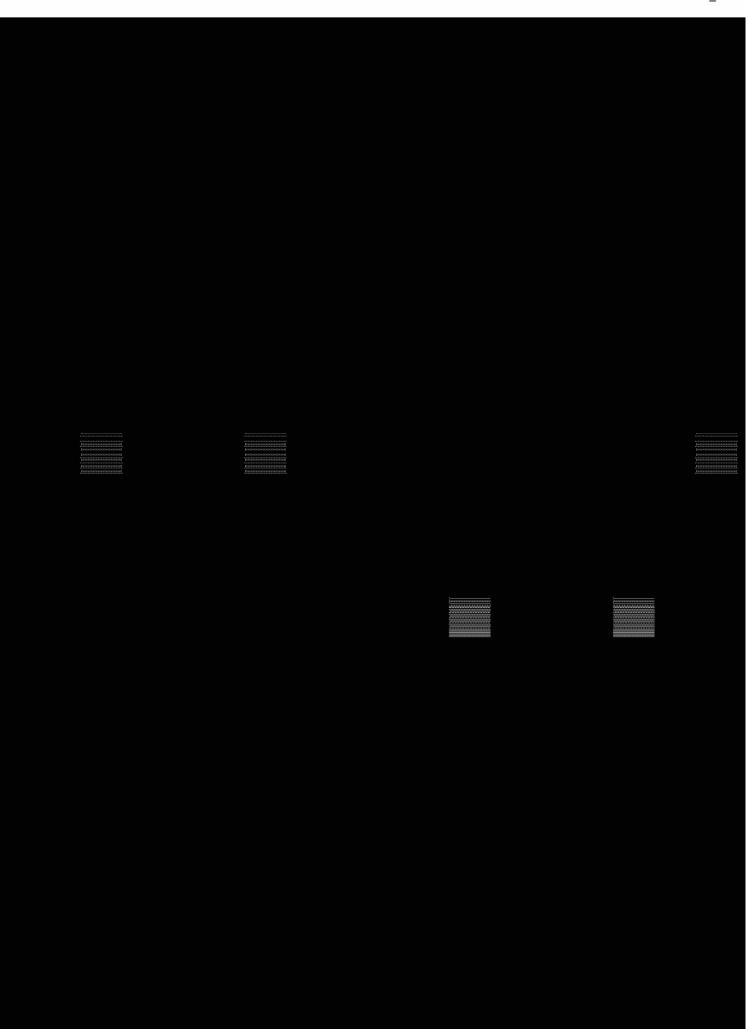


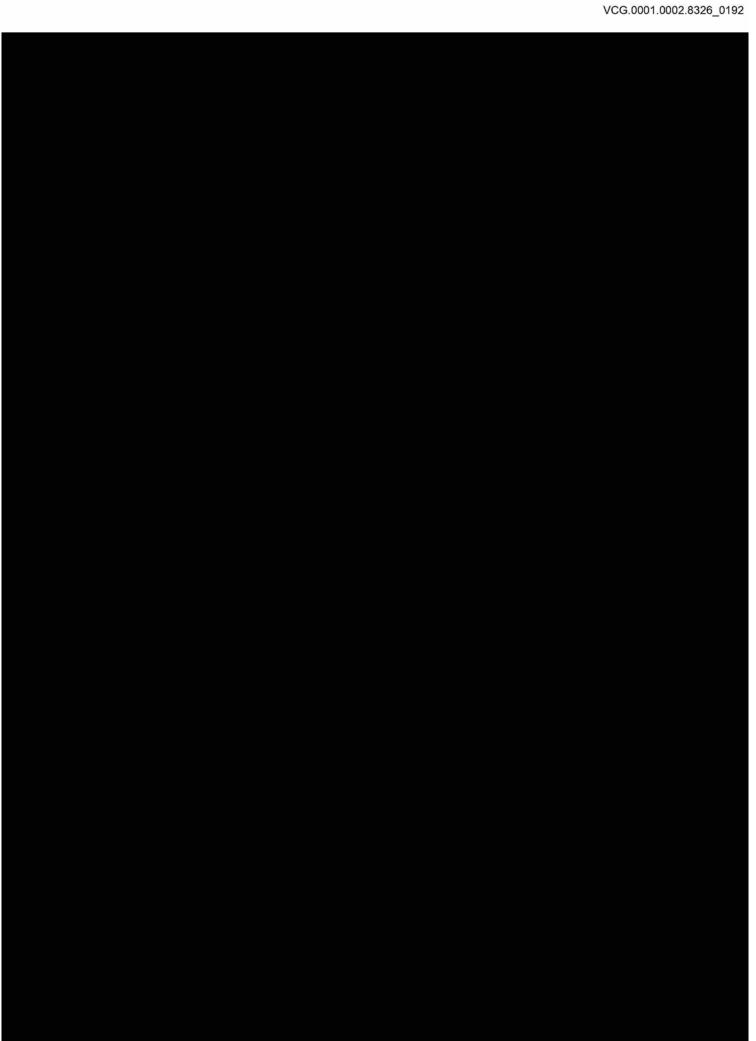


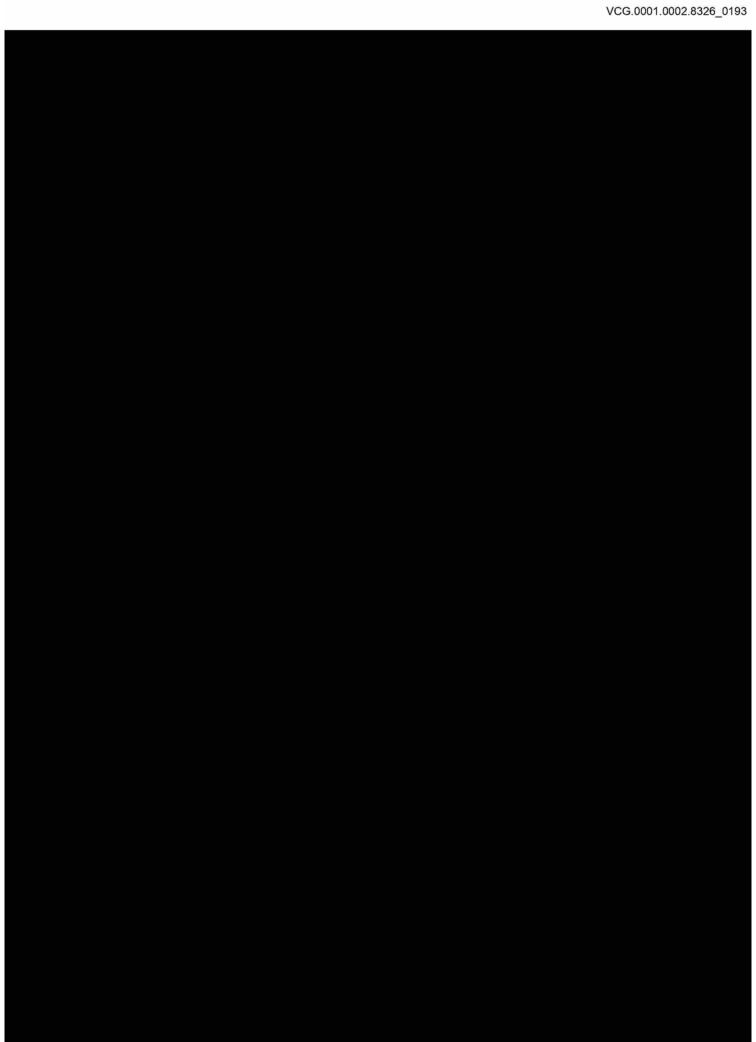


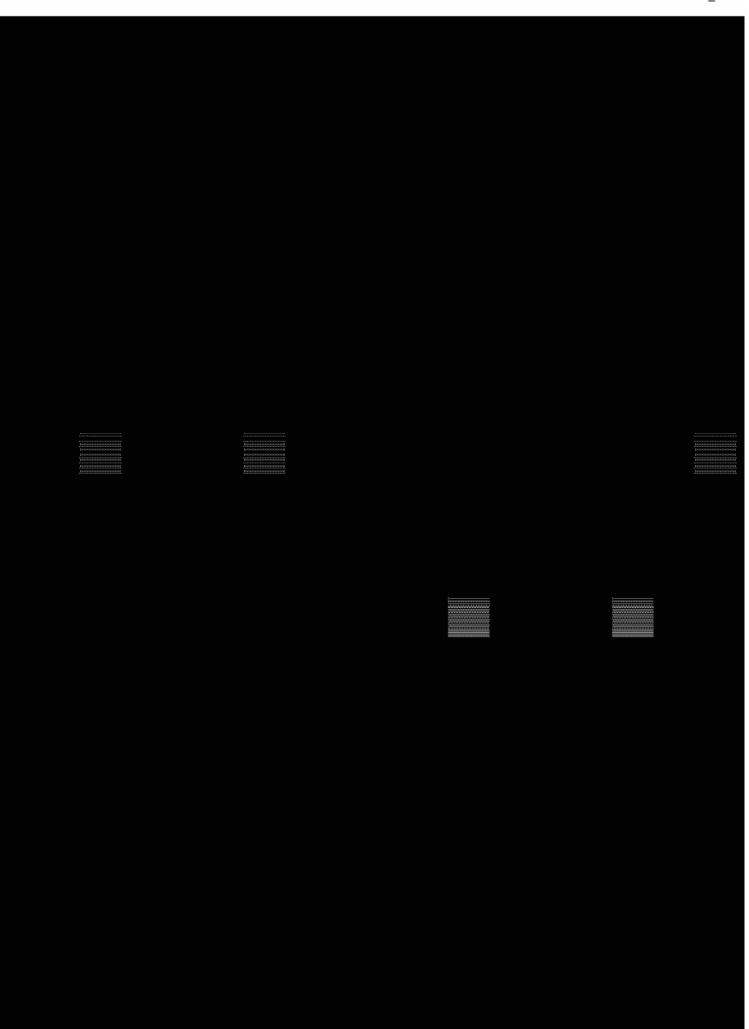


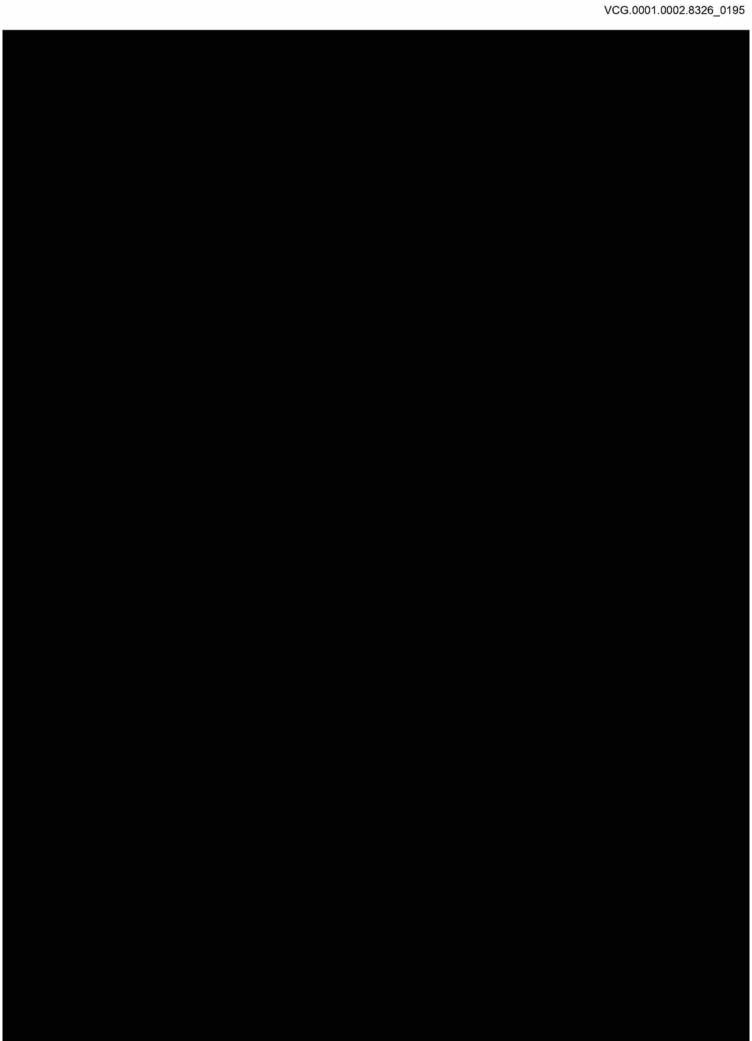


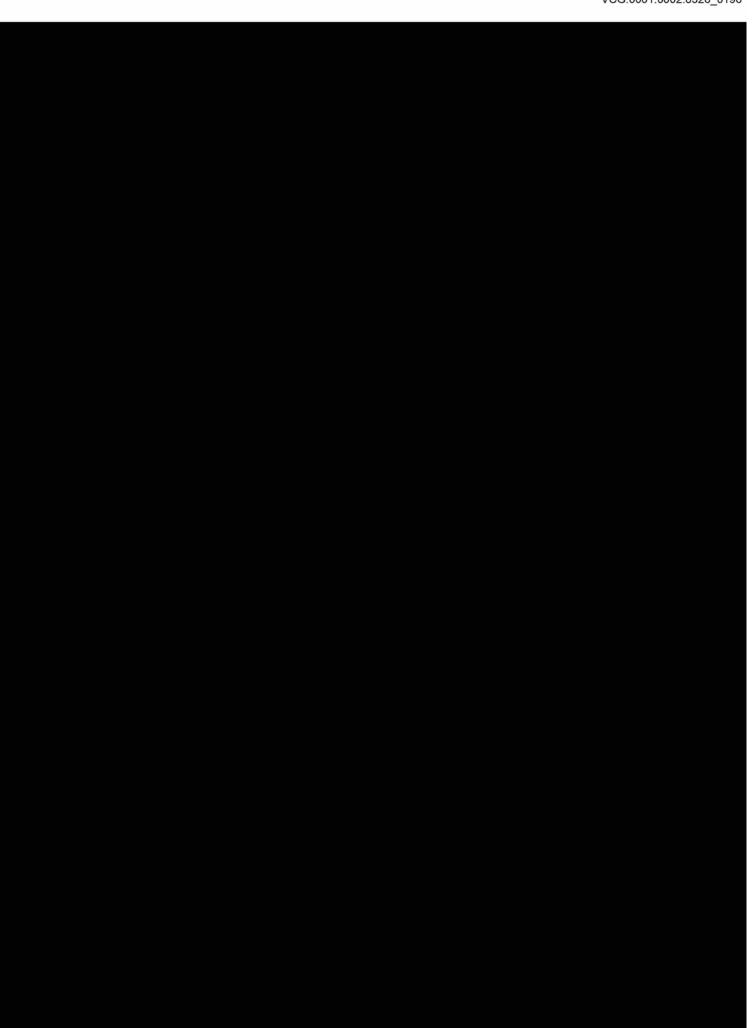


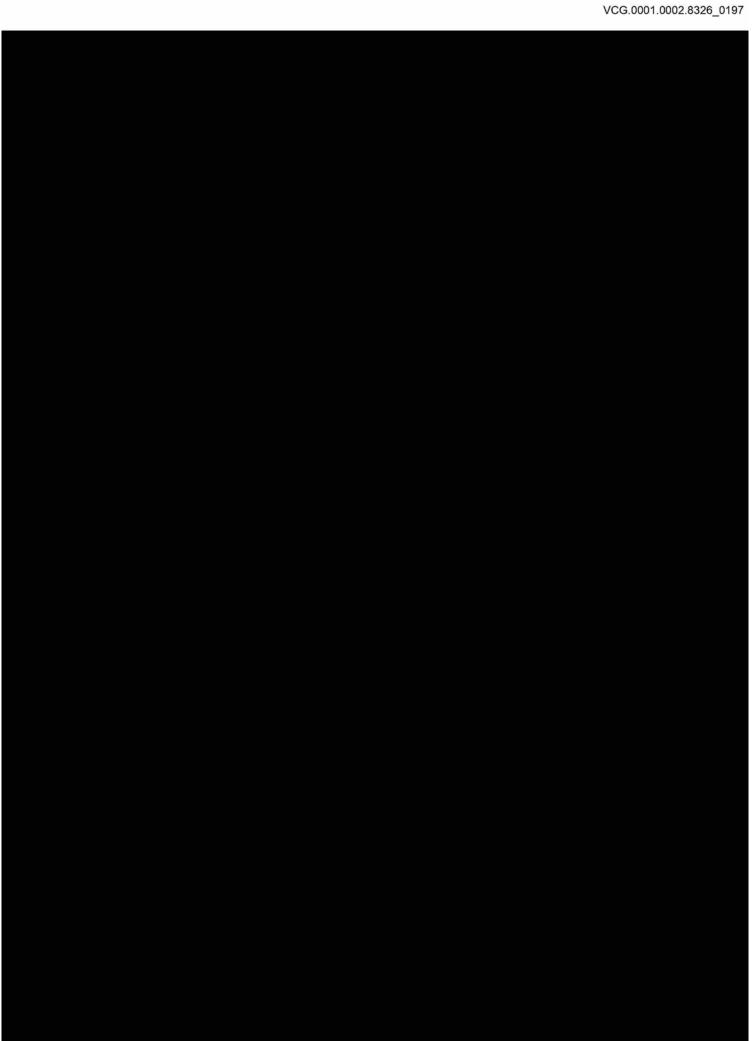


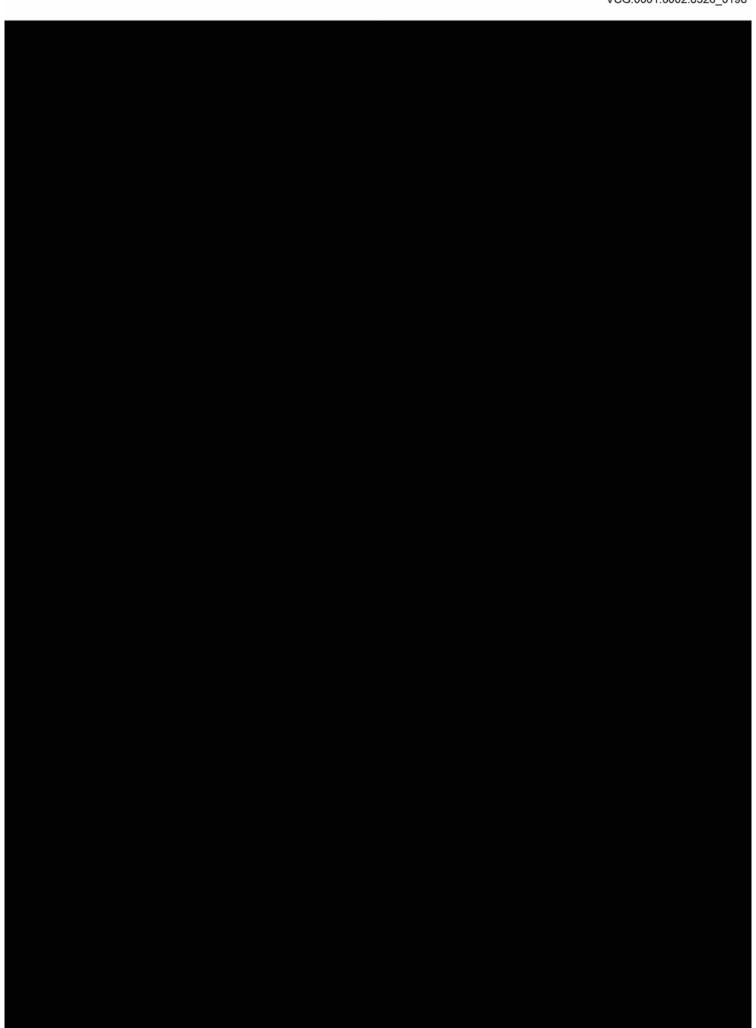


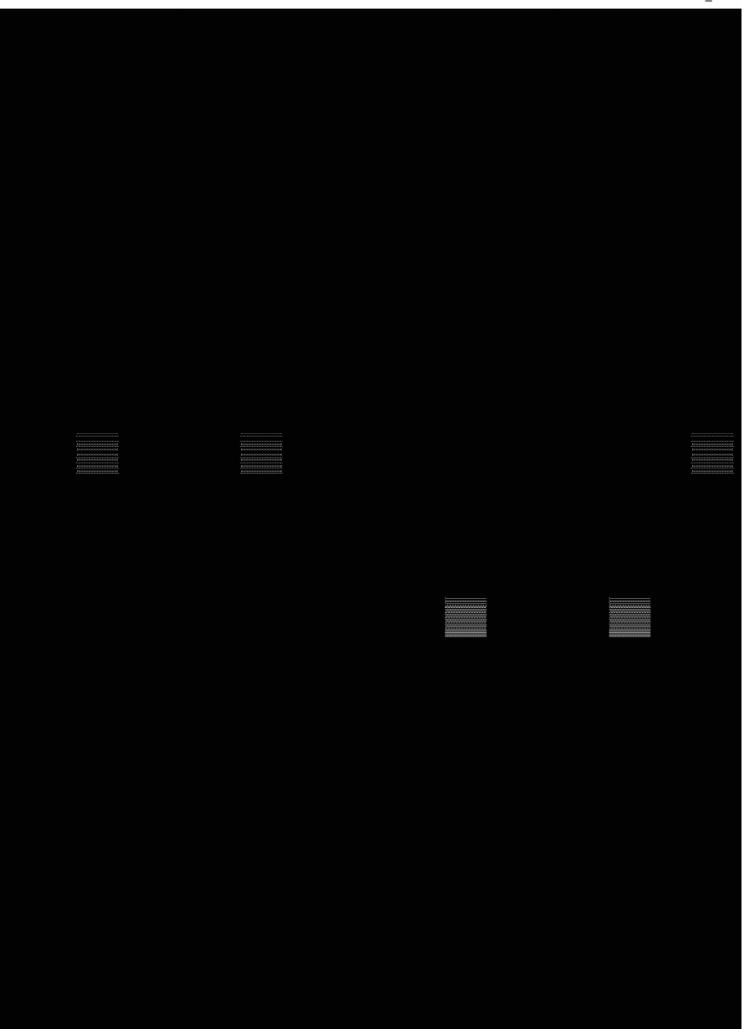


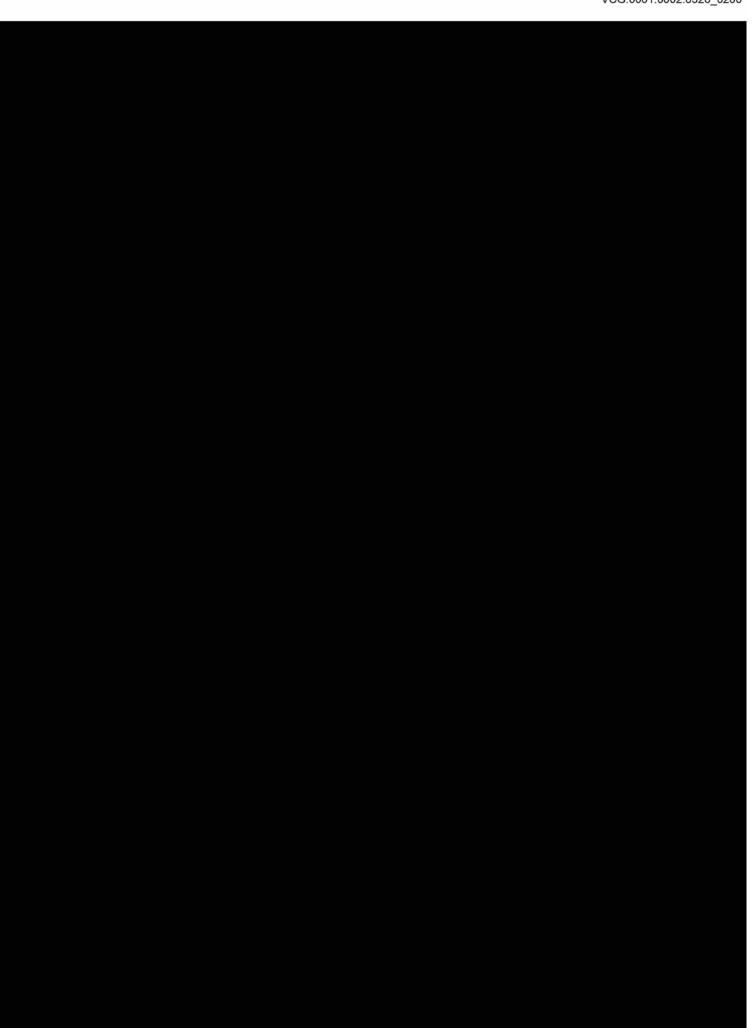




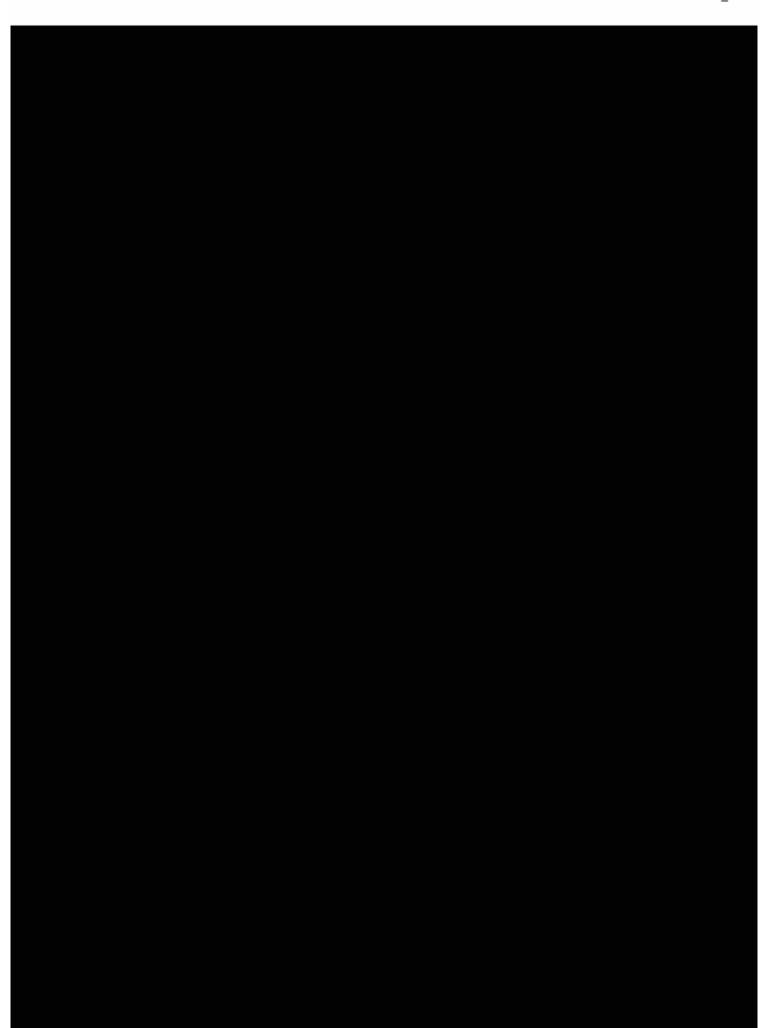


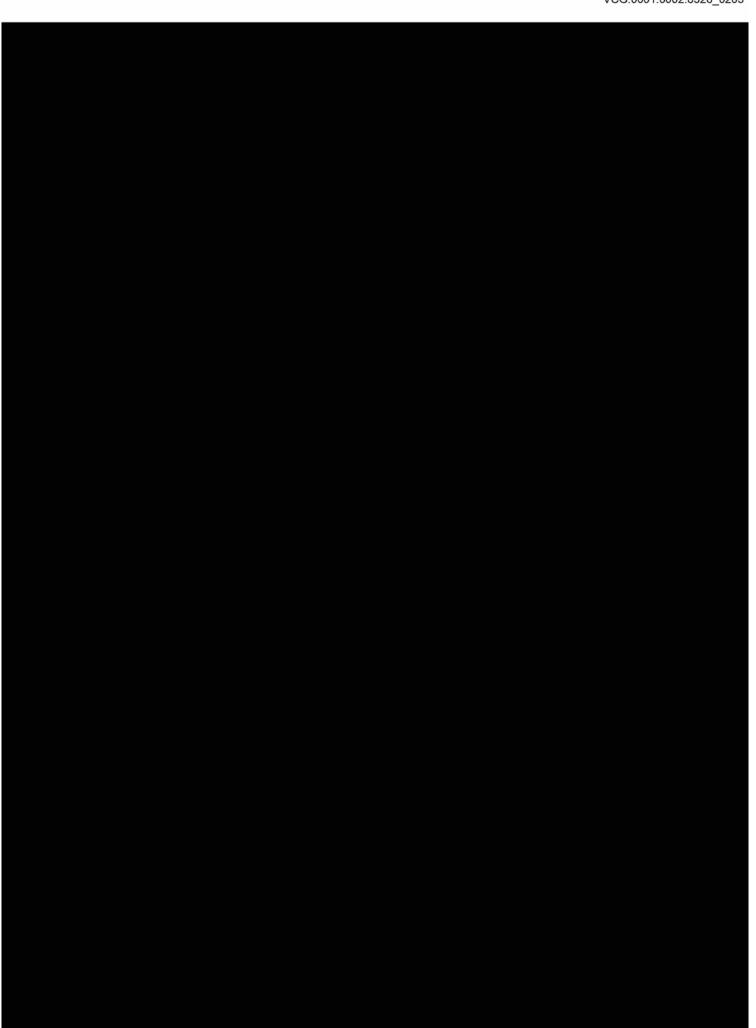


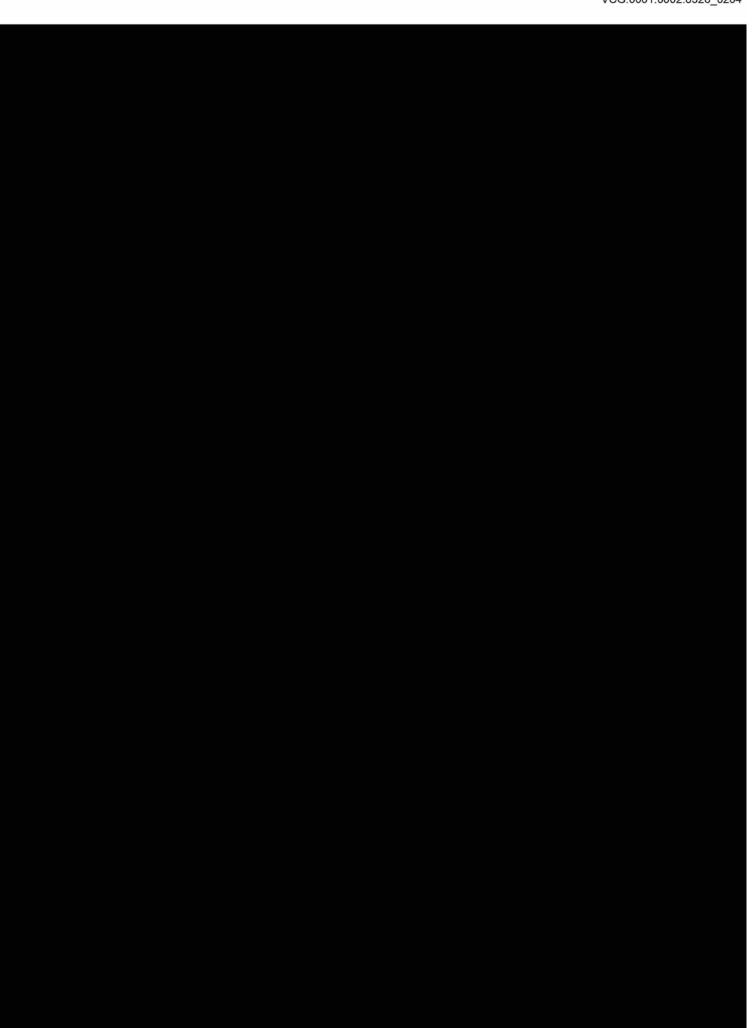


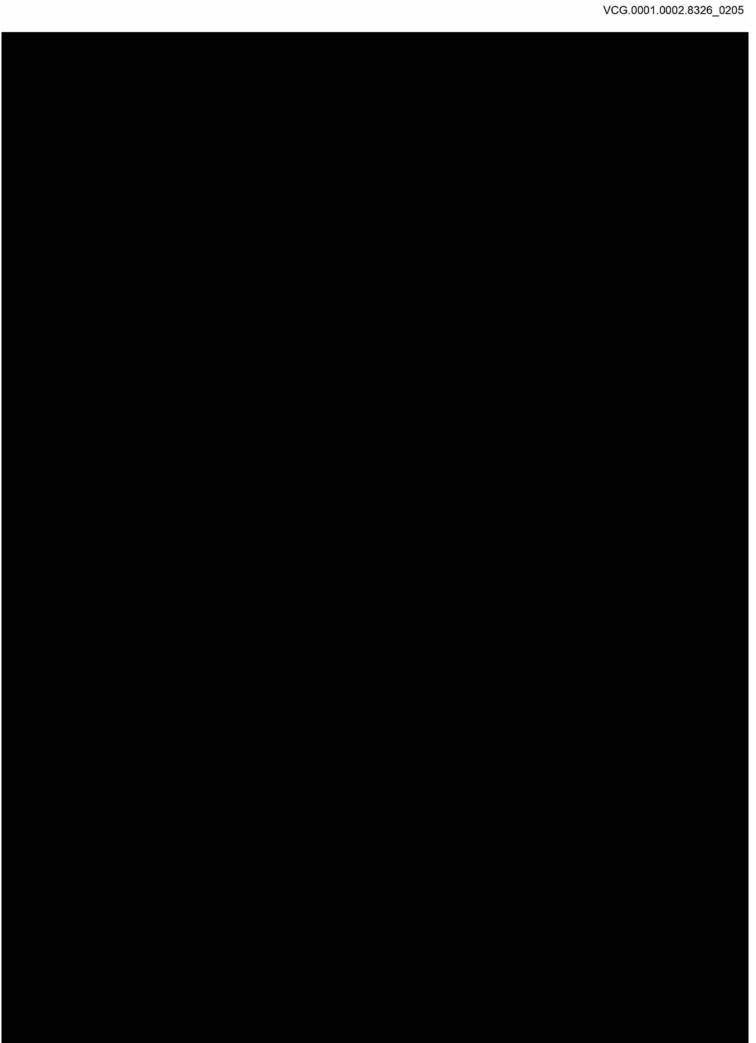




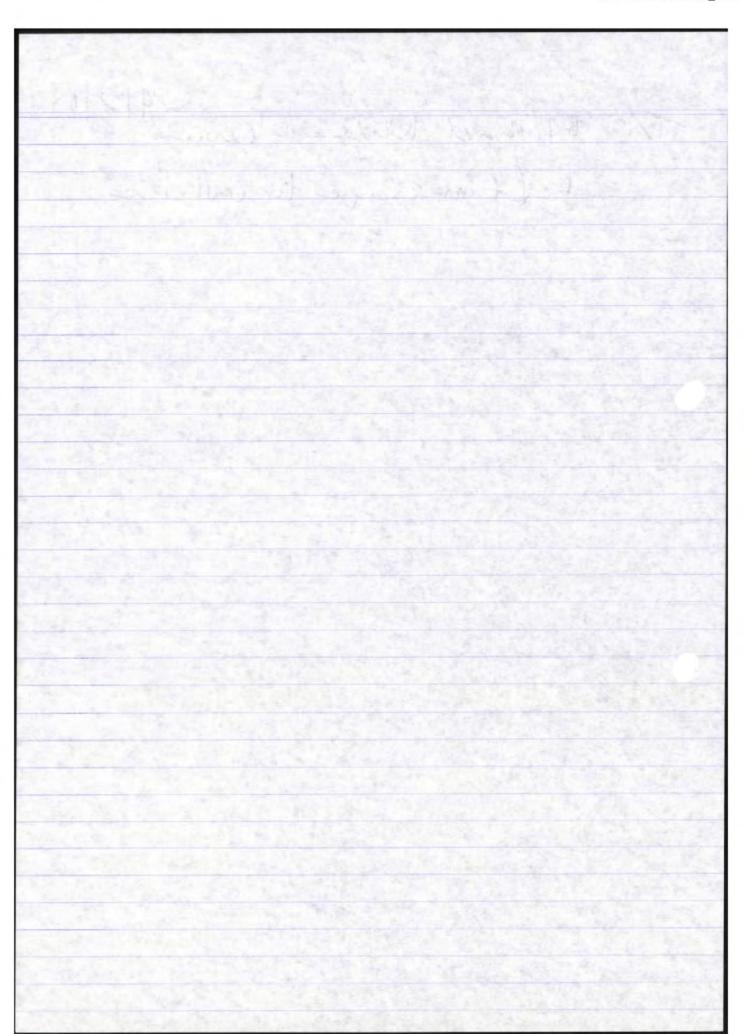








1/0 Mimael Neile - Crown Left mesage to call me.





Cate Carr 24/02/2005 12:40 PM To: Sylvia Grobtuch

CC:

Subject: Casino documents

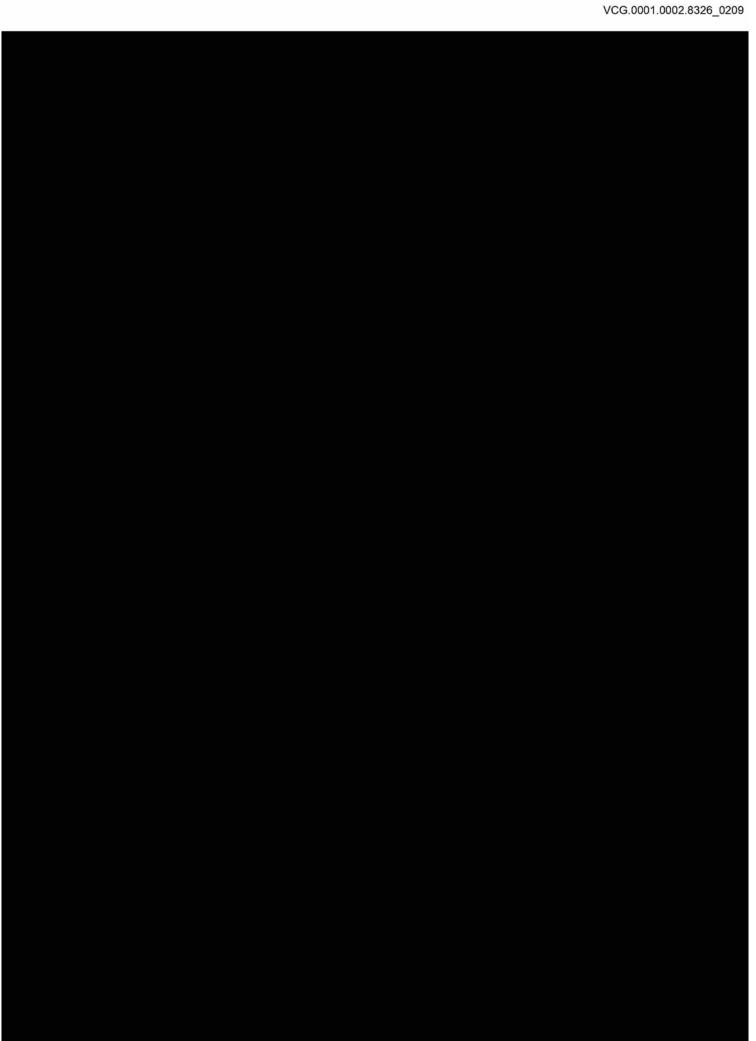
Sylvia

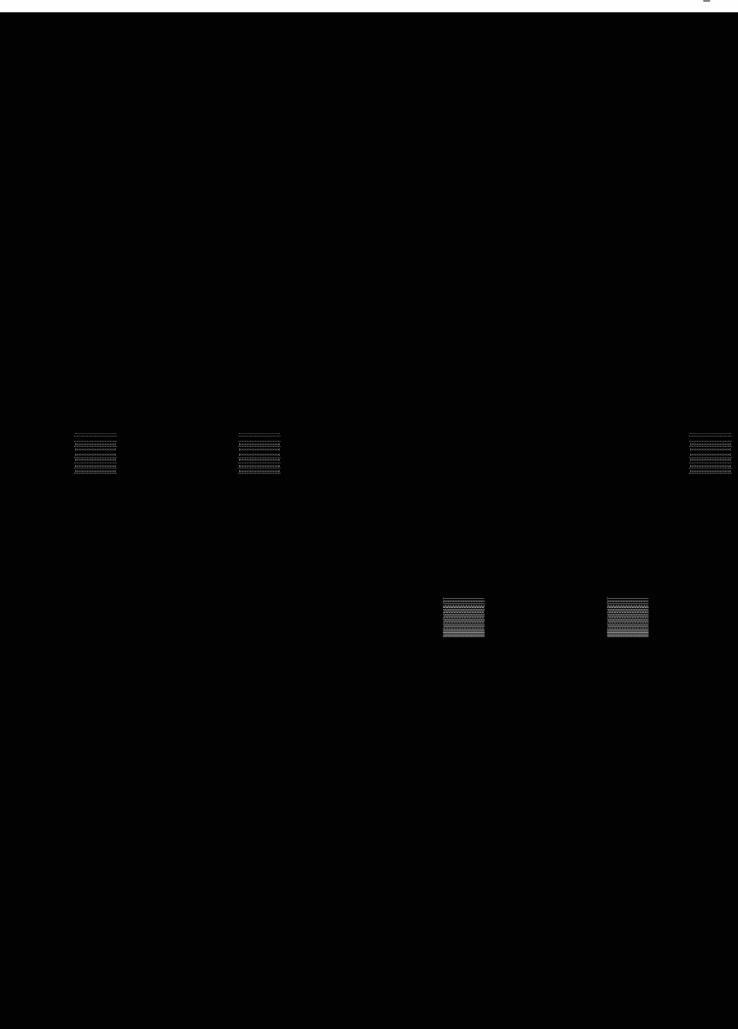
As discussed, I intend to provide Jane Carter from the GAmbling Policy Unit with a copy of the Supplemental Casino Agreement and the Deed of Undertaking and Guarantee for the purposes of Jane advising the Minister on amendments to the Casino Control Act that are required as a result of the amendments to the Casino Agreement. I will explain to Jane that these documents have been released to her for this purpose only.

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458

Facsimile: 96514999

Email:





Print/Photocopy supplied to	·
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On:	*************************
By:	

Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

Casino Control (Amendment) Act 2005 Act No.

TABLE OF PROVISIONS

Clause		Page
PART	1—PRELIMINARY	1
1.	Purpose	1
2.	Commencement	2
PART	2—AMENDMENT OF THE CASINO CONTROL ACT 1991	3
3.	Periodic investigations of casino operator	3
4.	Functions of the Commission	4
5.	Variation of agreements entered into before 19 June 2002	4
6.	Statute law revision	4
	3—AMENDMENT OF THE CASINO (MANAGEMENT EEMENT) ACT 1993	6
7.	Definitions	6
8.	Insertion of new section 6H	6
	6H. Ratification of the eighth Deed of Variation	6
9.	Amendment of section 7	7
10.	Insertion of Schedule 9	7
SCHI	EDULE 9	7
11.	Statute law revision	7
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Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

First Draft 14-2-2005

A BILL

to amend the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993 and for other purposes.

Casino Control (Amendment) Act 2005

The Parliament of Victoria enacts as follows:

PART 1-PRELIMINARY

1. Purpose

The purpose of this Act is to amend the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993—

- (a) to vary the interval for the periodic review of a casino operator;
- (b) to vary the matters that the Victorian Commission for Gambling Regulation may

Part 1-Preliminary

consider in the periodic review of a casino operator;

- (c) to provide for amendment or variation of certain agreements;
- (d) to ratify an eighth deed of variation to the management agreement for the Melbourne Casino.

2. Commencement

- (1) Subject to sub-section (2), this Act comes into operation on a day or days to be proclaimed.
- (2) If a provision of this Act does not come into operation before 1 January 2006, in comes into operation on that day.

Draft Note: Should Part 3 come into operation on the day after
Royal Assent?

Part 2-Amendment of the Casino Control Act 1991.

PART 2—AMENDMENT OF THE CASINO CONTROL ACT 1991

- 3. Periodic investigations of casino operator
 - In section 25(1) of the Casino Control Act 1991—
 - (a) for "3 years" (where secondly occurring) substitute "5 years";
 - (b) after paragraph (a) insert-
 - "(ab) the casino operator is complying with this Act, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the regulations made under any of those Acts; and
 - (ac) in the case of the Melbourne Casino Operator, the casino operator is complying with—
 - (i) the transaction documents; and
 - (ii) any other agreements between the Melbourne Casino Operator and the State, or a body representing the State, that impose obligations on the casino operator, whether or not in relation to gaming; and".
 - (2) After section 25(1) of the Casino Control Act 1991 insert—
 - '(1A) In sub-section (1)-

"Melbourne Casino Operator" has the same meaning as in the Casino (Management Agreement) Act 1993;

"transaction documents" means-

See:
Act No.
Ar/1991.
Reprint No. 6
as at
1 July 2004
and
amending
Act Nos
33/2004,
104/2004 and
108/2004.
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Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

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When about

Part 2-Amendment of the Casino Control Act 1991

- (a) Transaction Documents as defined in the Agreement within the meaning of the Casino (Management Agreement) Act 1993; and
- (b) the Deed of Undertaking and Guarantee dated [instructions required] between [instructions required]; and
- (c) the Supplemental Casino Agreement dated [instructions required] between [instructions required].'.
- 4. Functions of the Commission

In section 141(2)(c) of the Casino Control Act 1991—

- (a) in sub-paragraph (ix), for "request." substitute "request;";
- (b) after sub-paragraph (ix) insert-
 - "(x) investigating and reporting to the Minister on the compliance of casino operators with legal and contractual requirements and their suitability to continue to hold a casino licence.".
- Variation of agreements entered into before 19 June 2002

In section 142(4) of the Casino Control Act 1991, after "Authority" insert "or the Commission".

6. Statute law revision

In section 58(2) of the Casino Control Act 1991, for—

"must-

Pitantak Donamilia Marajenni Ami

QUOUR

76-1-2-3BL

Part 2-Amendment of the Casino Control Act 1991

(a) be conducted"substitute "must be conducted".

Part 3-Amendment of the Casino (Management Agreement) Act 1993

PART 3—AMENDMENT OF THE CASINO (MANAGEMENT AGREEMENT) ACT 1993

7. Definitions

In section 4 of the Casino (Management Agreement) Act 1993—

- (a) in the definition of "the Agreement", after "seventh Deed of Variation" insert "and the eighth Deed of Variation";
- (b) in the definition of "the seventh Deed of Variation", for "Schedule 8." substitute "Schedule 8;";
- (c) after the definition of "the seventh Deed of Variation" insert—
 - "the eighth Deed of Variation" means the deed of variation to the management agreement for the Melbourne Casino Project, a copy of which is set out in Schedule 9.".

8. Insertion of new section 6H

After section 6G of the Casino (Management Agreement) Act 1993 insert—

"6H. Ratification of the eighth Deed of Variation

- The eighth Deed of Variation is ratified and takes effect as if it had been enacted in this Act.
- (2) The Agreement is amended as provided in the eighth Deed of Variation.
- (3) A reference in clause 2.2 of the eighth Deed of Variation to the coming into operation of the Bill is deemed to be a reference to the commencement of Part 3 of the Casino Control (Amendment) Act 2005.".

94/1993, Reprint No. 3 as at 17 May 2000 and amending Act Nos 22/2002 and 114/2003... LawToday: www.dms. dpc.vic. gov.au

See:

Act No.

Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

Part 3-Amendment of the Casino (Management Agreement) Act 1993

Draft Note: Is (3) required?

9. Amendment of section 7

In section 7(2) of the Casino (Management Agreement) Act 1993, after "6G(1)" insert "or 6H(1)".

10. Insertion of Schedule 9

After Schedule 8 to the Casino (Management Agreement) Act 1993 insert—

'SCHEDULE 9

Draft Note: Text of eighth Deed of Variation to be inserted.

11. Statute law revision

Insert the following heading to section 8 of the Casino (Management Agreement) Act 1993—

"Powers of Victorian Commission for Gambling Regulation".

Draft Note: Note that the Bill may need to be split if a preamble is to be used for the Casino (Management Agreement) amendments.

ENDNOTES



Cate Carr 23/02/2005 04:52 PM To: Peter Cohen/VCGR,

CC:

Subject: Casino Agreement

Peter

Here is the additional information for the Minister's office as discussed.



W



Var Ag Annotated 23.2.05.doc Clause 28.2 Conditional clauser 23.2.05.doc Clause 28.2 what is caught 23.2.05.doc



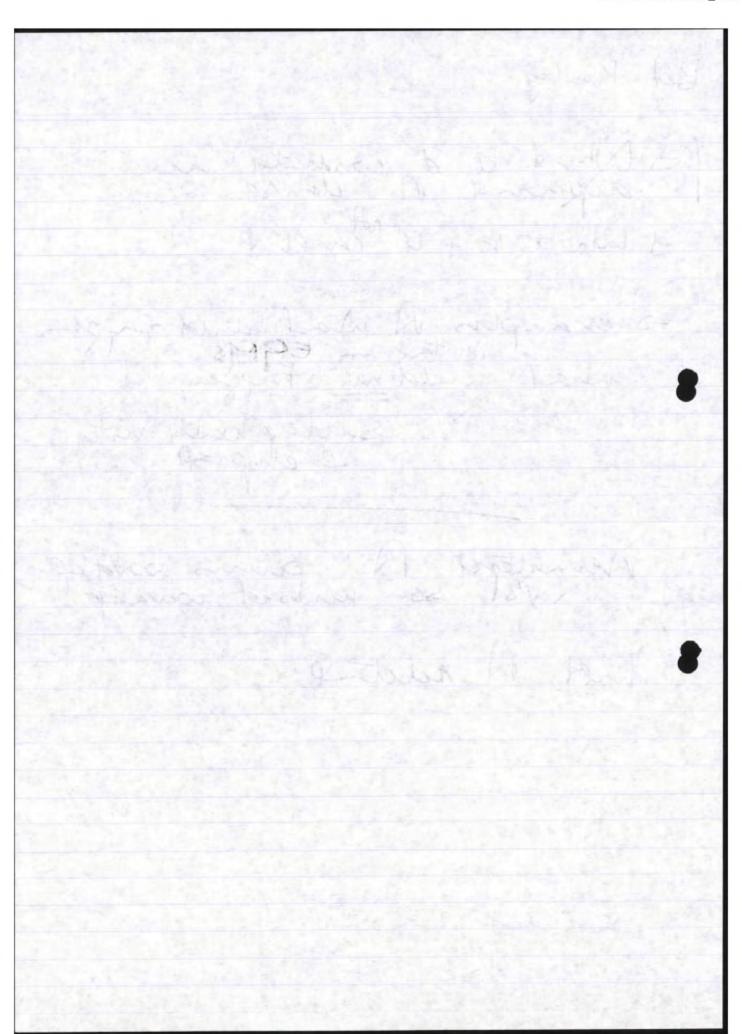
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Why version 1 is preferred 23.2.05.doc. Changes to the Casino Agreement Table 22.11.04.doc

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458 Facsimile: 96514999

Email:

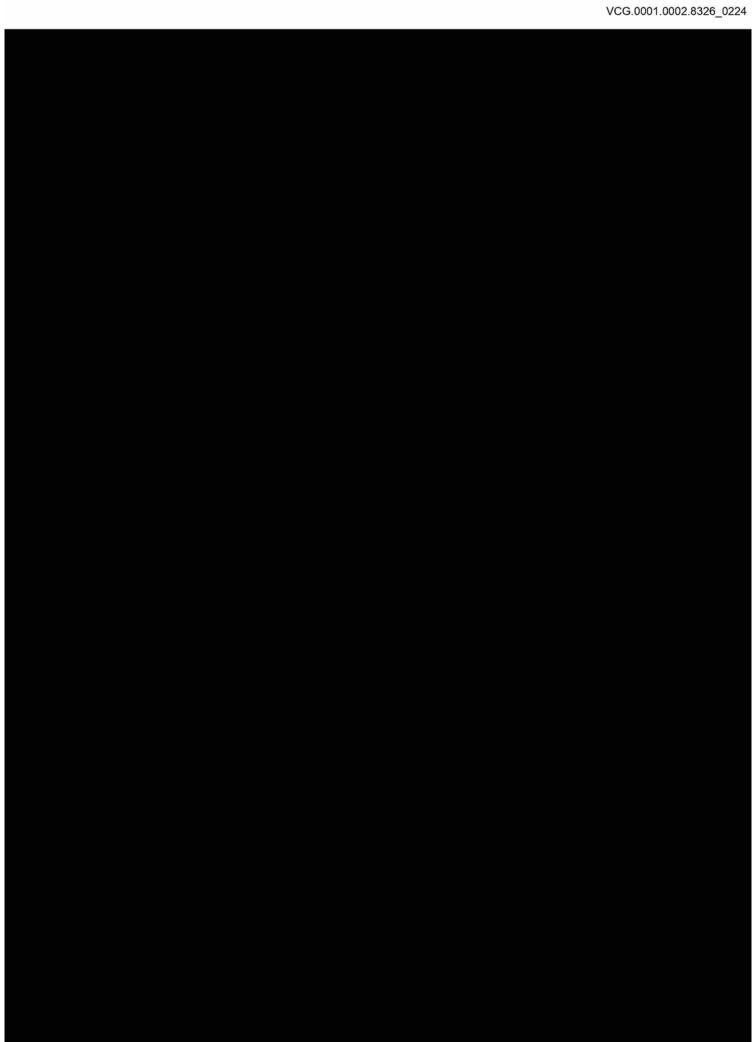
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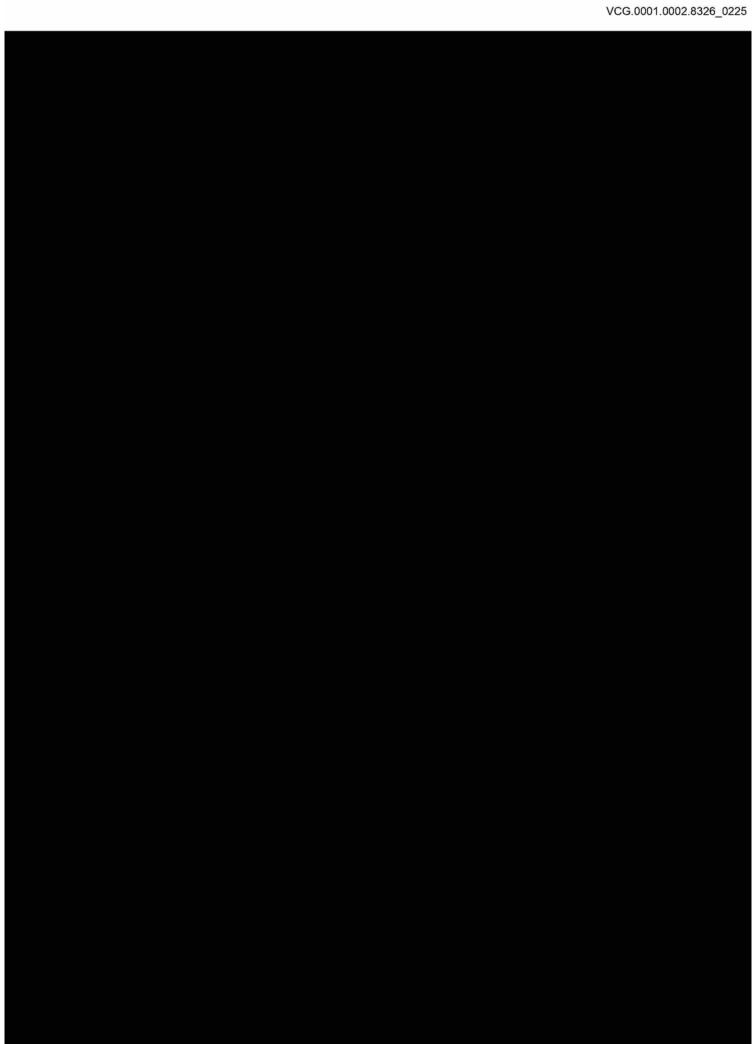


Victorian Commission for Gambling Regulation

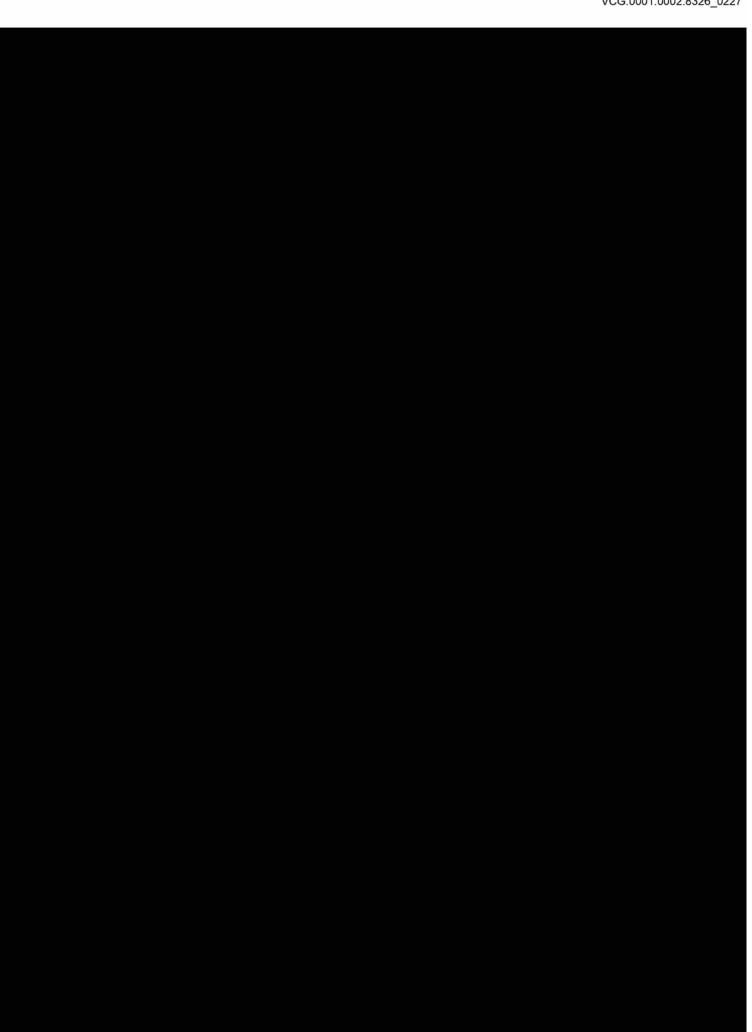
Internal Cover Sheet

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Author: Cate (g	n a	23/2/0
Director:		
Executive Commissioner: Peter Coh	en	*****
Commission Chairperson Ian Dunn Comments 140 fu	the Mi	strs
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		HEREAL PROPERTY.











"Michael Neilson"

To: < cc:

Subject: FW: Casino Agreement **Virus Check by VCGR - Group Integrated Systems

28/02/2005 08:19 AM

Cate,

No further comments from Rowen.

Regards

Michael Neilson General Counsel

Legal & Insurance Department

Crown Limited

Phone: Facsimi. Email:

Website: www.crowncasino.com.au

----Original Message----

From: Michael Neilson

Sent: Thursday, February 24, 2005 6:35 PM

To: Subject: RE: Casino Agreement **Virus Check by VCGR - Group Integrated

Systems

Cate,

This looks fine to me.

Being pedantic I think the Act referred to in Recital B(a) should read "Casino (Management Agreement) Amendment Act 1994". The bracket is in the wrong place.

I will run this past Rowen and make sure he is OK with it also. I will let you know tomorrow.

Regards

Michael Neilson General Counsel

Legal & Insurance Department

Crown Limited

Phone: Facsimi. Email: Website:

----Original Message----

From:

Sent: Monday, February 21, 2005 3:53 PM

To: Michael Neilson

Subject: Casino Agreement **Virus Check by VCGR - Group Integrated Systems

Hi Michael



Cate Carr 21/02/2005 03:46 PM To: Michael Neilson,

CC:

Subject: Casino Agreement

Hi Michael

Please find attached a draft Eighth Deed of Variation to the Management Agreement. It follows the same format as the previous deeds.

Please let me know if you have any issues or if I have left any thing out. I have assumed that Crown's registered address is Whiteman Street - is this right?



Eighth Deed of Variation 16.2.05.doc

Cheers

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458 Facsimile: 96514999

ausimile. 90

Email:





Cate Carr 17/02/2005 03:49 PM To: Michael Neilsen,

CC:

Subject: Casino Agreement (again!)

Hi Michael

Please find attached a draft briefing document that could be given to the media should the Minister and Crown decide to issue a joint media release regarding the variation to the Casino Agreement. I need to stress that this document is draft only and has not been approved by Peter Cohen or anyone else. I think it is felt that it may be useful to have an agreed document just in case it is required (this could be as early as next week maybe, if things proceed well). I have written it in very general terms but I don't think a great deal of detail is required.

Feel free to give me a call if you wish to discuss.

Cheers



Media handout 13.12.04.doc

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458

Facsimile: 9651 3458

Email:



NINTH VARIATION TO THE CASINO AGREEMENT

What is the "Casino Agreement"?

The Casino Agreement is one of the key Transaction Documents¹ relating to the establishment and operation of the Melbourne Casino. It sets out many of the licence conditions for the Melbourne Casino and was executed on 21 September 1993.

The parties to the Casino Agreement were originally the Victorian Casino Authority and Crown Casino Limited. The parties are now are the Victorian Commission for Gambling Regulation ("the Commission") and Crown Limited ("Crown").

The parties may vary the Casino Agreement by agreement in writing. Both the Casino Agreement and section 142 of the Casino Control Act 1991 state that any variation is subject to the prior approval of the Minister. To date, the Casino Agreement has been varied eight times.

What does the Casino Agreement provide for?

The Casino Agreement provides for a range of matters governing the construction and operation of the Melbourne Casino, including:

- the development, construction and completion of the Melbourne Casino;
- the disclosure and provision of information and documents to the Commission;
- conditions relating to Crown's corporate structure;
- inspection of Crown's records, accounts and information by the Commission;
- the grant of the Casino licence;
- casino operating practices;
- the acquisition, disposal and encumbrance of assets;
- the termination of the Casino Agreement; and
- the general obligations of Crown to the Commission and to the State.

What changes will be made to the Casino Agreement by the Ninth Variation Agreement?

The Ninth Variation Agreement will be entered into by the Commission and Crown to vary the Casino Agreement as agreed.

Other transactions Documents include the Site Lease for the Melbourne Casino Complex, the Casino Licence, and the Temporary Casino Lease etc.

The Ninth Variation Agreement will:

- result in improved transparency by allowing the public release of the Casino Agreement and the Casino Licence and by providing for greater reporting and disclosure by Crown to the Commission.
- remove the single purpose restriction so as to allow Crown to operate businesses in addition to the Melbourne Casino;
- remove the obligation on Crown to maximise Gross Gaming Revenue;
- ensure that Crown is managed from Melbourne;
- ensure that Crown's parent company, Publishing and Broadcasting Limited ("PBL") locates the headquarters of its gaming business in Melbourne;
- ensure that the Melbourne Casino is the flagship of PBL's gaming business;
- ensure that Crown endeavours to maintain the Melbourne Casino's high roller business; and
- ensure that Crown spends at least \$170M on the Melbourne Casino Complex over the next 5 years, thereby maintaining the value of the State's asset.

The "single purpose restriction" is currently contained in Clause 22.1(p) of the Casino Agreement and prevents Crown from conducting a business other than the Melbourne Casino business. Removing the single purpose restriction, by deleting Clause 22.1(p), will allow Crown to operate businesses in addition to the Melbourne Casino and thereby allow it to compete in the national and international gaming market.

MEMORANDUM OF UNDERSTANDING WITH TOURISM VICTORIA

Crown will enter into a Memorandum of Understanding with Tourism Victoria. This will ensure that Crown maintains its commitment to tourism in Victoria by requiring Crown to spend at least \$5M per annum on marketing the Melbourne Casino Complex and Melbourne as a tourist destination. The MOU also contains other undertakings by Crown that provide further benefits to the State.

PERIODIC REVIEW OF THE CASINO OPERATOR

Section 25 of the Casino Control Act 1991 requires the Commission to conduct a periodic review of the casino operator and the casino licence. This review must currently be conducted not less than every 3 years.

The Government will introduce a bill into the Parliament to amend the Casino Control Act 1991 to expand the matters that the Commission can consider when conducting the periodic review.

Section 25 of the Casino Control Act 1991 currently only allows the Commission to consider whether the casino operator is suitable to hold the casino licence and whether it is in the public interest that the licence continue in force. Section 25 will be amended to allow the Commission to investigate and report on Crown's compliance with its obligations to the State, such as those under the Casino Agreement and other Transaction Documents, and under the Memorandum of Understanding with Tourism Victoria.

In light of this more rigorous and detailed review, the bill will also extend the time period for periodic review from not less than every three years to not less than every five years.



"Michael Neilson"

To: CC:

Subject: RE: Casino Agreement

17/02/2005 01:06 PM

Cate,

Fine by me.

I will await your draft.

Regards

Michael Neilson General Counsel Legal & Insurance Department Crown Limited

Phone: Facsimi Email:

Website: www.crowncasino.com.au

----Original Message----

From:

Sent: Thursday, February 17, 2005 11:16 AM To: Michael Neilson

Subject: RE: Casino Agreement

Thanks Michael

I think the option of amending the definition will draw less attention to the documents than making a direct reference to them in section 25 - if of course ones aim is not to attract attention to such things!

I agree clause 5.1(a) (i) will also require amendment. We will also need to insert a definition of Deed of Undertaking and Guarantee and of Supplemental Casino Agreement. These can just be as per the definitions in the Casino Agreement.

I expect to have a draft to you by tomorrow - once we are both happy with the draft, I will need to send a copy to Parliamentary Counsel for inclusion in the Bill.

Cheers

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone Facsimile Email:





Minister For Gaming

- 5 MAY 2005

55 Collins Street, Melbourne, Victoria 3000 GPO Box 4509RR Melbourne, Victoria 3001 Telephone: (03) 9651 9320 Facsimile: (03) 9651 9915

The Hon. John Pandazopoulos, MP Minister for Gaming GPO Box 4509RR Melbourne VIC 3001

Dear Minister,

As you are aware, the Victorian Commission for Gambling Regulation is currently required, by section 25 of the Casino Control Act 1991, to prepare for you a review of the casino operator and licence, no later than every three years. The Section 25 Review makes an assessment of whether the casino operator is a suitable person to continue to hold the casino licence, and whether it is in the public interest that the casino licence should continue in force. The next Section 25 Review is due to be completed by 30 June 2006.

The Section 25 Review is a thorough and extensive process that consumes a significant amount of time of the Commission and its staff.

The proposed Ninth Variation to the Casino Agreement, currently being considered by the Government, includes a new Schedule Five, which sets out in considerable detail the information that Crown will be required to submit to the Commission in the future. On the basis that this additional information would be regularly provided by Crown, it was decided to seek a change to section 25, to allow the Review to be conducted at intervals not exceeding five years instead of the current three years.

Because the Government has not yet given its approval to the Ninth Variation Agreement, the planned legislation has been delayed. Unless you can confirm that the relevant planned changes to the *Casino Control Act* will be presented to Parliament shortly, the Commission will be bound to commence its operational, commercial and probity investigations by the end of May 2005, so that the Section 25 Review can be submitted to you by 30 June 2006.

Yours sincerely

IAN DUNN Chair





To:

05/04/2005 10:43 AM

Subject: Casino Agreement and Management Agreement amendments

Dear all,

I have been advised that the Variation to the Casino Agreement might be agreed upon today. I am waiting to hear if the Minister will also approve the 8th Deed of Variation to the Management Agreement.

As soon as you or I hear that agreement has been reached, could one of you please be ready to have three copies of each agreement to take to Crown for Crown to sign. Could you also find out how quickly Crown can arrange to have PBL sign its letter to the Minister.

Cate, I need a copy of the letters to be exchanged by the Minister and the MOU with Tourism Victoria. Could you email them to me please.

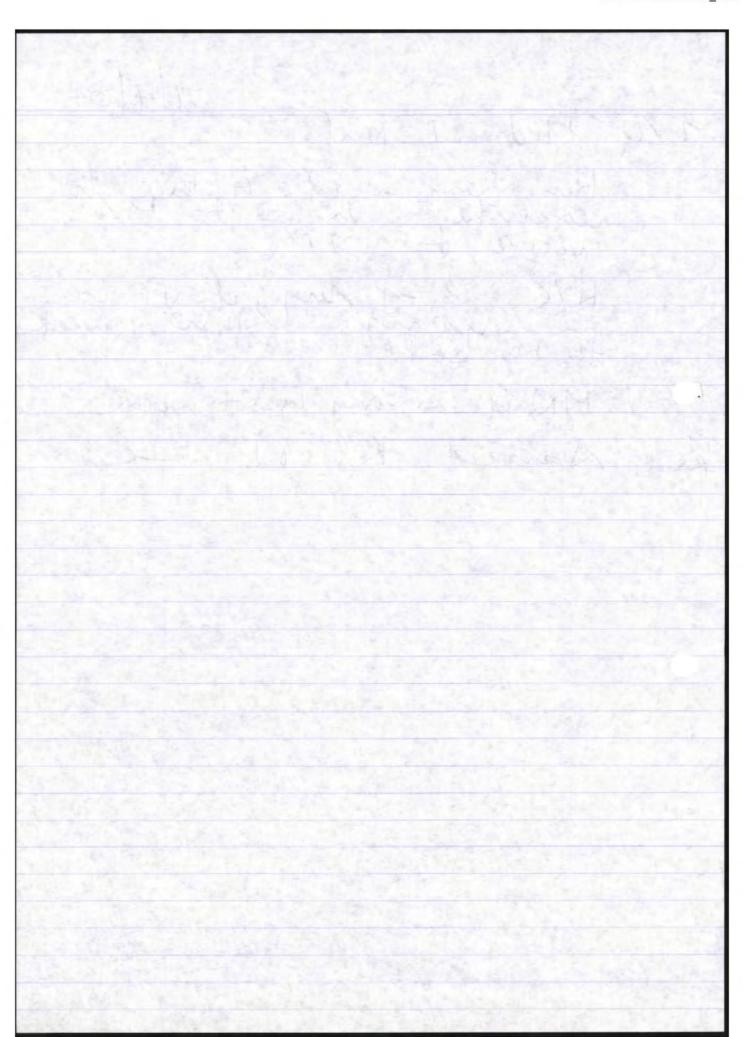
Rowena Scheffer Acting Director, Gambling Policy and Research Office of Gaming and Racing Ph:

"CONFIDENTIAL

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If you are not the intended recipient, please notify the sender immediately and delete or destroy all copies of this message and any attachments. Our organisation complies with Victorian privacy laws, for a copy of our privacy policy please go to our website or contact us."

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To:

07/04/2005 09:07 AM

Subject: Casino Agreement and Management Agreement amendments

Hi Sylvia and Cate,

Sorry for the on again, off again aspect of this project. I had been led to believe the Ministers were going to be firmly recommended to approve the 9th Var. Agreement earlier this week, but it didn't happen.

Instead, the Gaming Sub-Committee is meeting at 4.00 tomorrow (postponed from this afternoon).

Have you got any information on how quickly Crown can arrange to have PBL sign its letter to the Minister yet?

Cate, I still haven't received an electronic copy of the letters to be exchanged by the Minister and the MOU with Tourism Victoria.

Rowena Scheffer Acting Director, Gambling Policy and Research Office of Gaming and Racing Ph:

---- Forwarded by Rowena Scheffer/Person/DOJ on 07/04/2005 09:02 ----

Rowena Scheffer
Sent by: Rowena To: Cate
Bill
Scheffer

CC:
05/04/2005 10:43 Subject: Casino Agreement

and Management Agreement amendments

Dear all,

I have been advised that the Variation to the Casino Agreement might be agreed upon today. I am waiting to hear if the Minister will also approve the 8th Deed of Variation to the Management Agreement.

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Rowena Scheffer Acting Director, Gambling Policy and Research Office of Gaming and Racing Ph:

"CONFIDENTIAL

The information in this message and in any attachments may be confidential.



To: cc: Subject: Re: Casino Agreement and Management Agreement amendments

Rowena

Further to our telephone conversation here are the letters and the MOU. As you will no doubt be aware the letters may require amendment if the terms of clause 28 are/have been amended after discussions with Crown conducted by DPC/DTF et al.



Minister to James Packer amended 15.205 doc







3rd Update of CROWN MOU doc Casino Agreement - 9th variation (Letter PBL to Min) doc. Crown to Minister 25.11.01.doc

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458

Facsimile: 96514999 Email:



07/04/2005 09:07 AM

To:

Subject: Casino Agreement and Management Agreement amendments

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Rowena Scheffer

Acting Director, Gambling Policy and Research

Office of Gaming and Racing

Ph:

---- Forwarded by Rowena Scheffer/Person/DOJ on 07/04/2005 09:02 ----

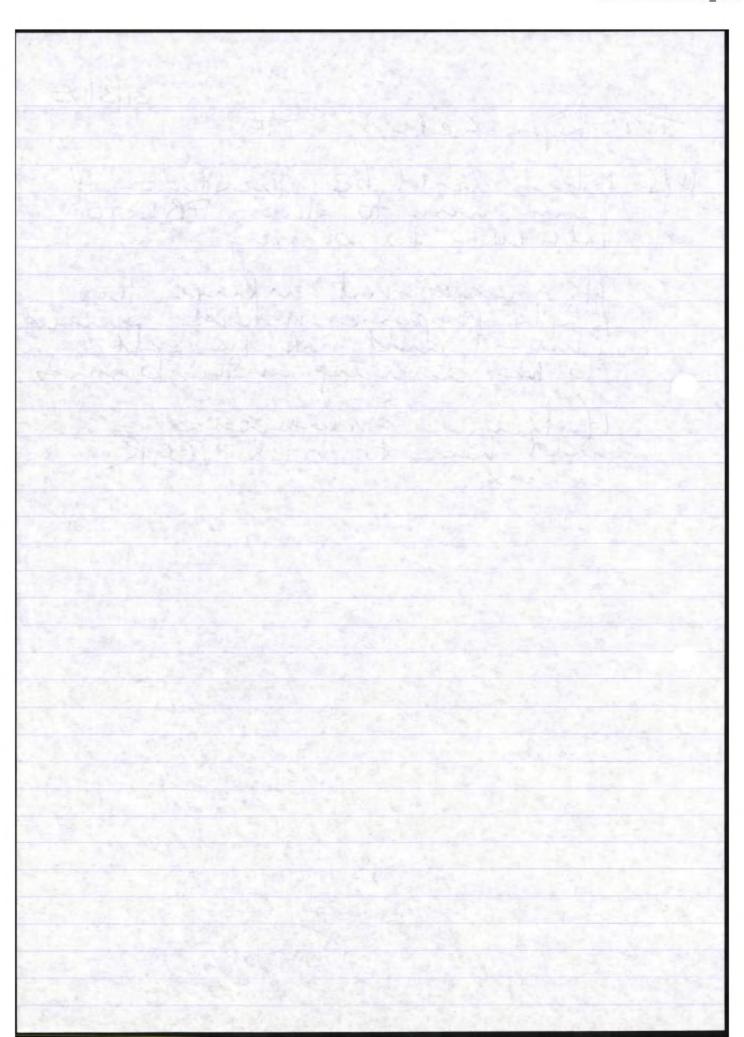
Rowena Scheffer
Sent by: Rowena To: Cate
Sylvia Grobtuch , Bill
Scheffer

05/04/2005 10:43

Subject: Casino Agreement

and Management Agreement amendments

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Cate Carr 30/03/2005 04:09 PM To: Rowena Scheffer/VCGR, cc: Subject: Management agreement

Rowena

I understand from Peter that he and Ross have agreed that it is appropriate that GPU provide the information to the Minister re the variation to the management agreement. To this end, here is the draft I have prepared.

Give me a call if you need anything further

Cheers



Eighth Deed of Variation 16.2.05 doc

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458 Facsimile: 96514999

Email:



Cate Carr 18/03/2005 09:50 AM To: Jane Carter/Person/DOJ@DOJ

cc: Subject: Bill

Hi Jane

The latest draft of the Casino Control (Amendment) Act 2005 looks fine as far as I can tell. I assume that DF said the issue I raised about the change to Crown's name is not a problem (you don't need to answer this question)

Cheerio

Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458 Facsimile: 96514999

Email:

Print/Photocopy supp	olied to :
Department:	
On:	
By:	

Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

Casino Control (Amendment) Act 2005 Act No.

TABLE OF PROVISIONS

Clause		page
PART	1—PRELIMINARY	1
1.	Purpose	1
2.	Commencement	2
PART	2—AMENDMENT OF THE CASINO CONTROL ACT 1991	3
3.	Periodic investigations of casino operator	3
4.	Functions of the Commission	4
5.	Variation of agreements entered into before 19 June 2002	4
6.	Statute law revision	4
PART	3-AMENDMENT OF THE CASINO (MANAGEMENT	
	EMENT) ACT 1993	5
7.	Definitions	5
8.	Insertion of new section 6H	5
	6H. Ratification of the eighth Deed of Variation	5
9.	Amendment of section 7	6
10.	Insertion of Schedule 9	6
11.	Statute law revision	6
	Powers of Victorian Commission for Gambling Regulation".	6
ENDN	OTES	7

Print/Photocopy supp	olied to :
Department:	
On:	
By:	***************************************

Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria

Second Draft 16-2-2005

A BILL

to amend the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993 and for other purposes.

Casino Control (Amendment) Act 2005

The Parliament of Victoria enacts as follows:

PART 1-PRELIMINARY

1. Purpose

The purpose of this Act is to amend the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993—

- (a) to vary the interval for the periodic review of a casino operator;
- (b) to vary the matters that the Victorian Commission for Gambling Regulation may

Part 1-Preliminary

consider in the periodic review of a casino operator;

- (c) to provide for amendment or variation of certain agreements;
- (d) to ratify an eighth deed of variation to the management agreement for the Melbourne Casino.

2. Commencement

This Act comes into operation on the day after the day on which it receives the Royal Assent.

Part 2-Amendment of the Casino Control Act 1991

PART 2—AMENDMENT OF THE CASINO CONTROL ACT 1991

- 3. Periodic investigations of casino operator
 - In section 25(1) of the Casino Control Act 1991—
 - (a) for "3 years" (where secondly occurring) substitute "5 years";
 - (b) after paragraph (a) insert-
 - "(ab) the casino operator is complying with this Act, the Casino (Management Agreement) Act 1993, the Gambling Regulation Act 2003 and the regulations made under any of those Acts; and
 - (ac) in the case of the Melbourne Casino Operator, the casino operator is complying with—
 - (i) the transaction documents; and
 - (ii) any other agreements between the Melbourne Casino Operator and the State, or a body representing the State, that impose obligations on the casino operator, whether or not in relation to gaming; and".
 - (2) After section 25(1) of the Casino Control Act 1991 insert—

'(1A) In sub-section (1)-

"Melbourne Casino Operator" has the same meaning as in the Casino (Management Agreement) Act 1993;

"transaction documents" means Transaction Documents as defined in the Agreement within the meaning of

did Diene Consider ACN

Confidential Draft prepared by the Office of Chief Parliamentary Counsel Victoria
551286B.D2-16-2-2005

3

See:
Act No.
47/1991.
Reprint No. 6
as at
1 July 2004
and
amending
Act Nos
33/2004,
104/2004 and
108/2004.
LawToday:
www.dms.
dpc.vic.

gov.au

Part 2-Amendment of the Casino Control Act 1991

the Casino (Management Agreement) Act 1993.'.

4. Functions of the Commission

In section 141(2)(c) of the Casino Control Act 1991—

- (a) in sub-paragraph (ix), for "request." substitute "request;";
- (b) after sub-paragraph (ix) insert-
 - "(x) investigating and reporting to the Minister on the compliance of casino operators with legal and contractual requirements and their suitability to continue to hold a casino licence.".
- 5. Variation of agreements entered into before 19 June 2002

In section 142(4) of the Casino Control Act 1991, after "Authority" insert "or the Commission".

6. Statute law revision

In section 58(2) of the Casino Control Act 1991, for—

"must-

(a) be conducted"

substitute "must be conducted".

Part 3-Amendment of the Casino (Management Agreement) Act 1993

PART 3—AMENDMENT OF THE CASINO (MANAGEMENT AGREEMENT) ACT 1993

7. Definitions

In section 4 of the Casino (Management Agreement) Act 1993—

- (a) in the definition of "the Agreement", after "seventh Deed of Variation" insert "and the eighth Deed of Variation";
- (b) in the definition of "the seventh Deed of Variation", for "Schedule 8." substitute "Schedule 8;";
- (c) after the definition of "the seventh Deed of Variation" insert—
 - "the eighth Deed of Variation" means the deed of variation to the management agreement for the Melbourne Casino Project, a copy of which is set out in Schedule 9.".

8. Insertion of new section 6H

After section 6G of the Casino (Management Agreement) Act 1993 insert—

"6H. Ratification of the eighth Deed of Variation

- The eighth Deed of Variation is ratified and takes effect as if it had been enacted in this Act.
- (2) The Agreement is amended as provided in the eighth Deed of Variation.
- (3) A reference in clause 2.2 of the eighth Deed of Variation to the coming into operation of the Bill is deemed to be a reference to the commencement of the Casino Control (Amendment) Act 2005.".

See:
Act No.
94/1993.
Reprint No. 3
as at
17 May 2000
and
amending
Act Nos
22/2002 and
114/2003.
LawToday:
www.dms.
dpc.vic.
gov.au

Part 3-Amendment of the Casino (Management Agreement) Act 1993

9. Amendment of section 7

In section 7(2) of the Casino (Management Agreement) Act 1993, after "6G(1)" insert "or 6H(1)".

10. Insertion of Schedule 9

After Schedule 8 to the Casino (Management Agreement) Act 1993 insert—

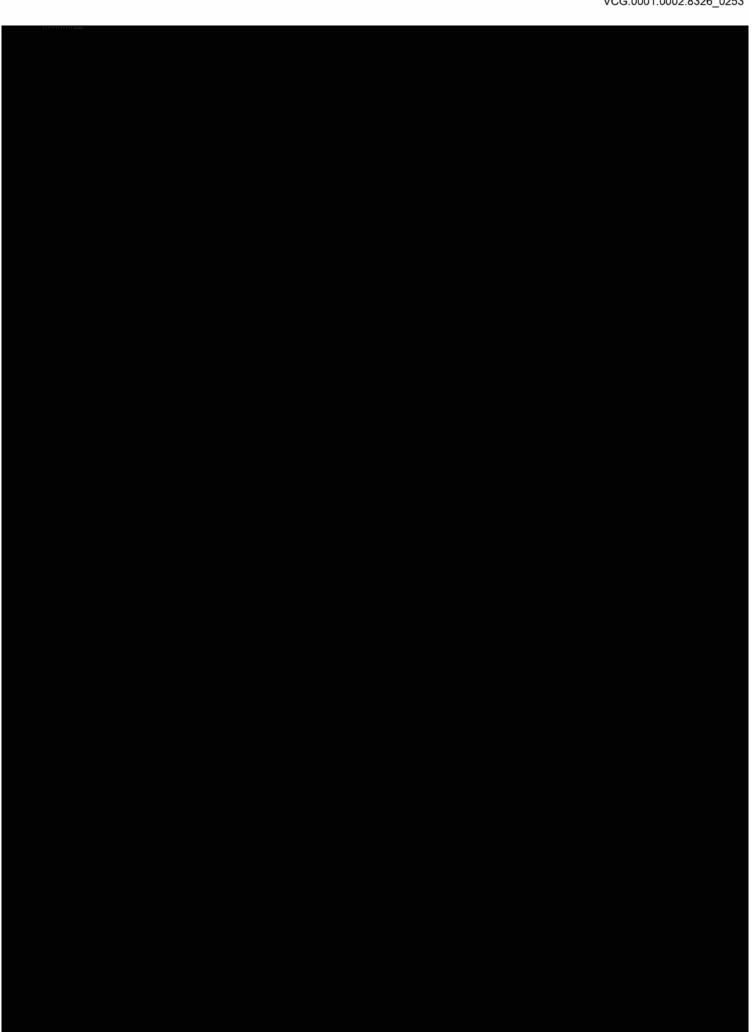
Draft Note: Text of completed agreement to be inserted.

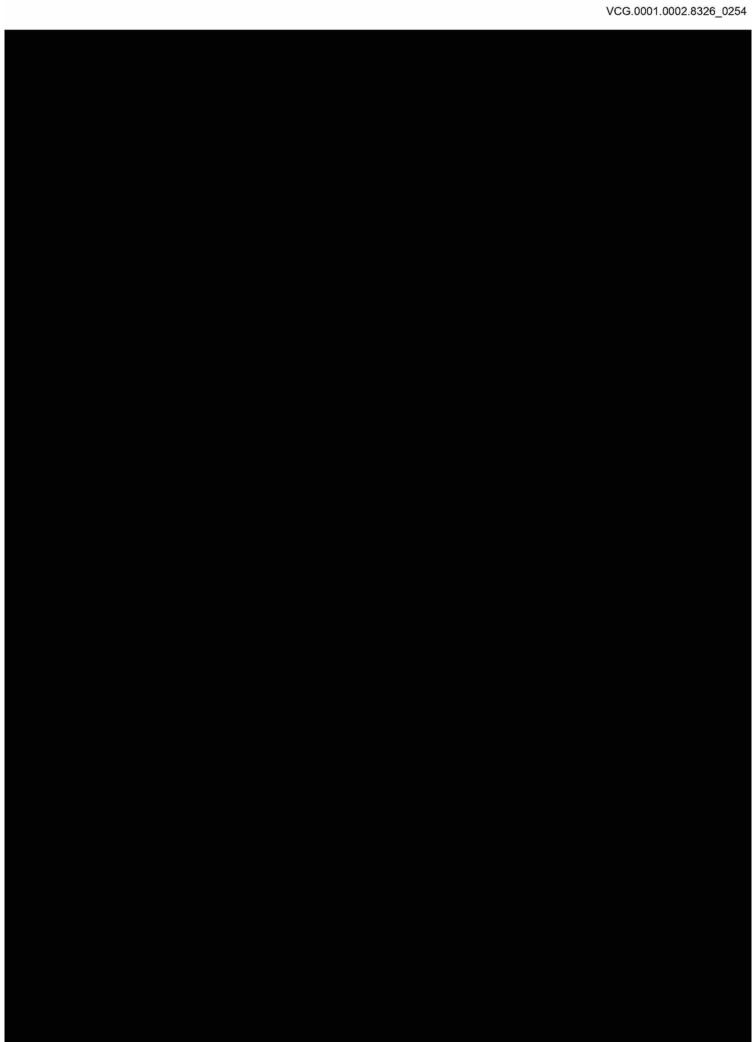
11. Statute law revision

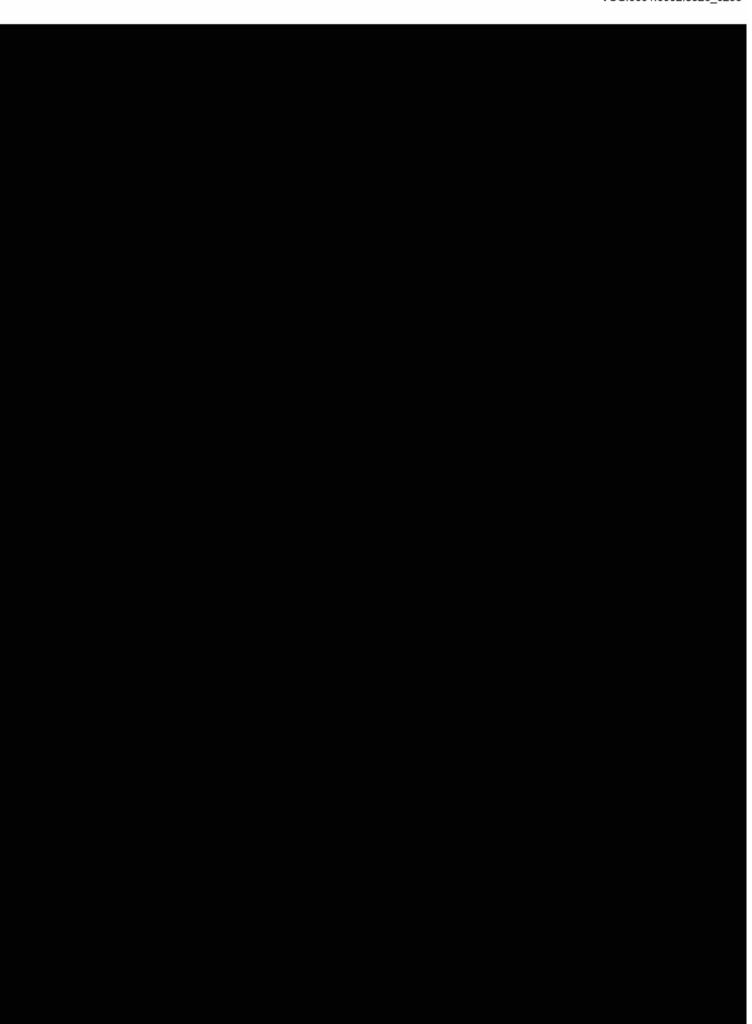
Insert the following heading to section 8 of the Casino (Management Agreement) Act 1993—

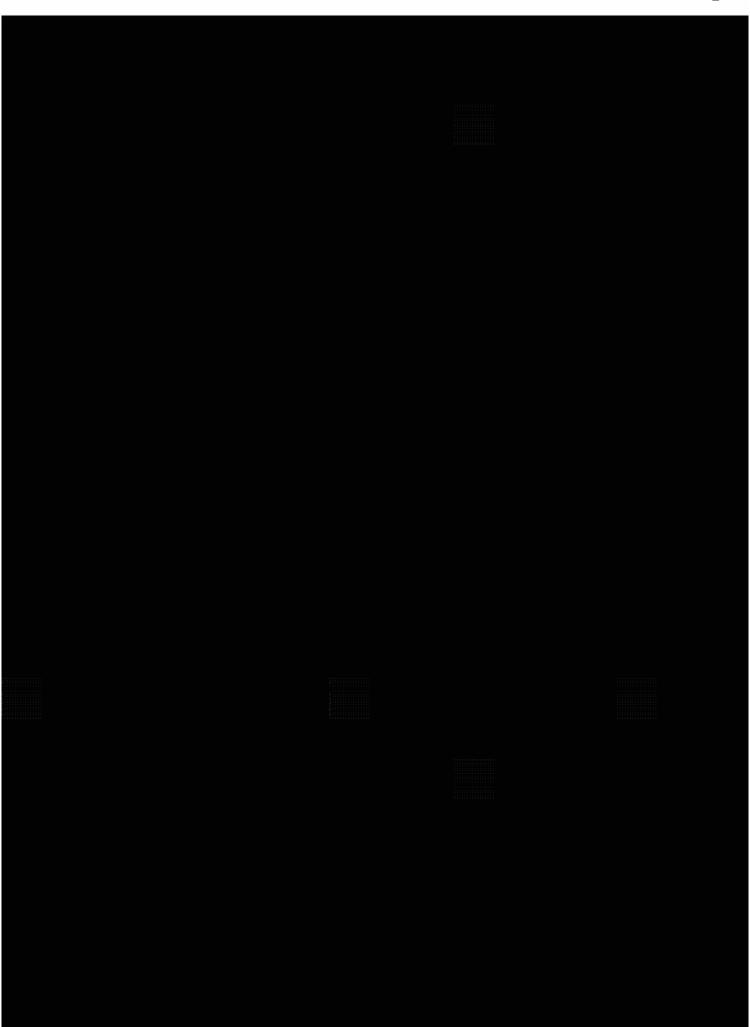
"Powers of Victorian Commission for Gambling Regulation".

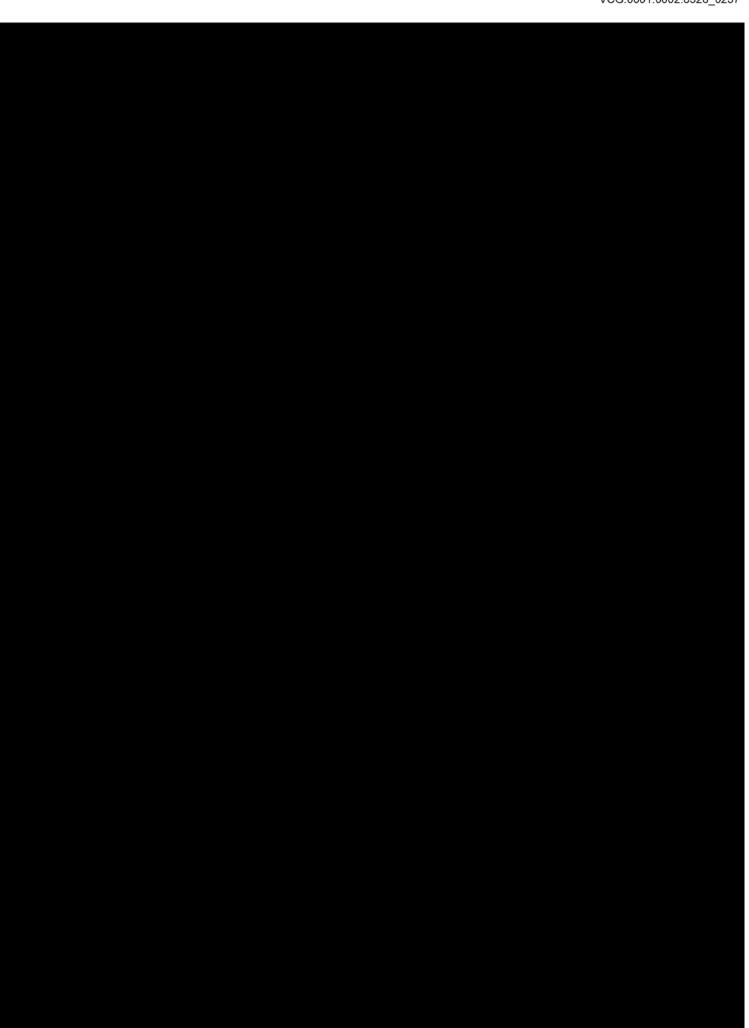
ENDNOTES

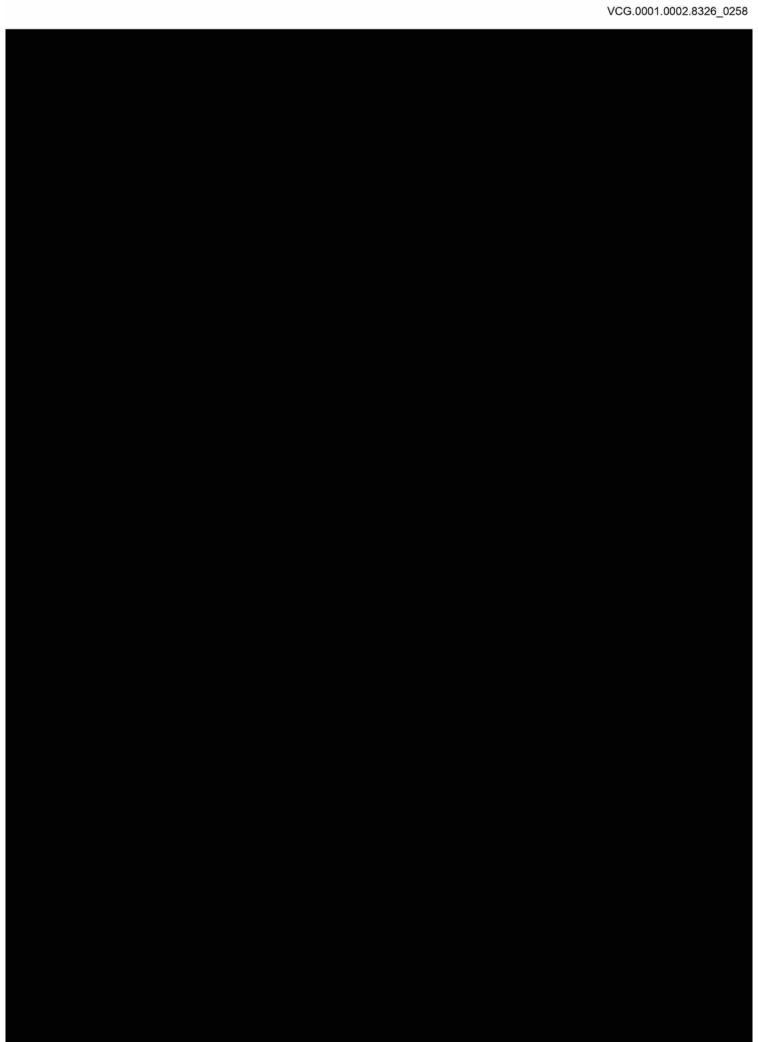


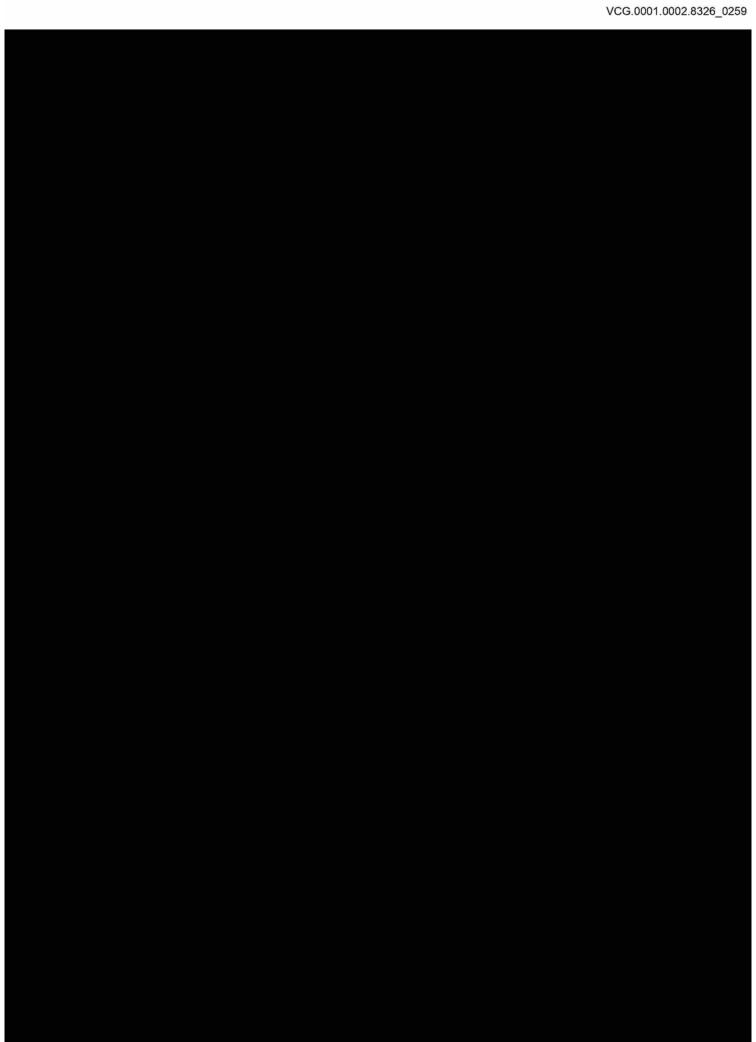




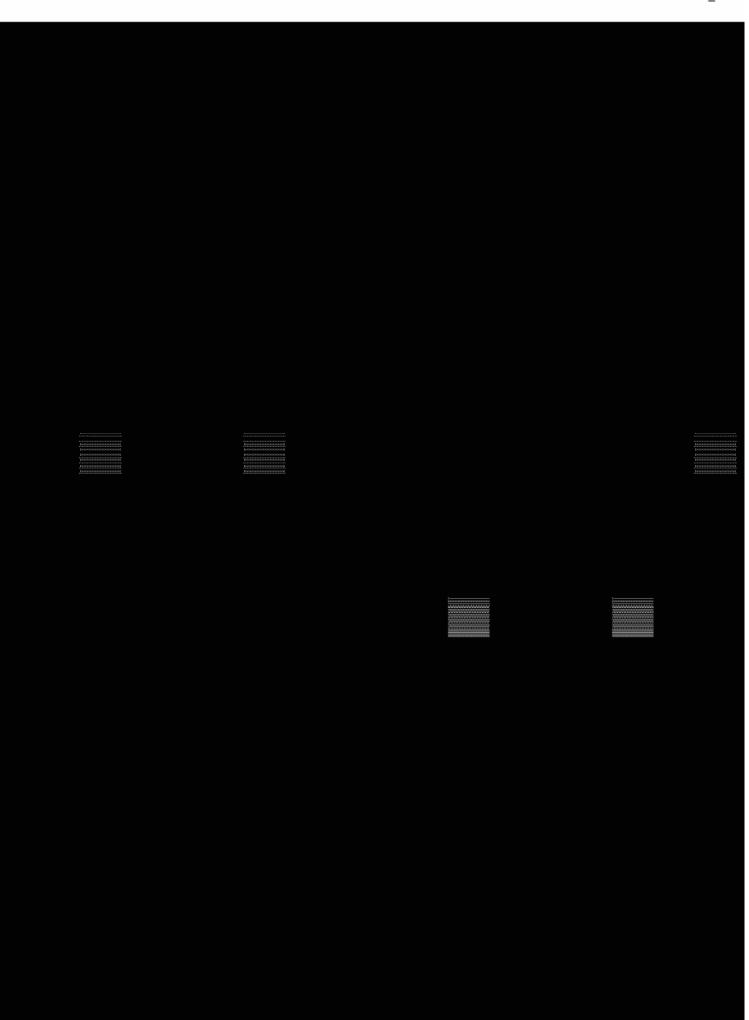


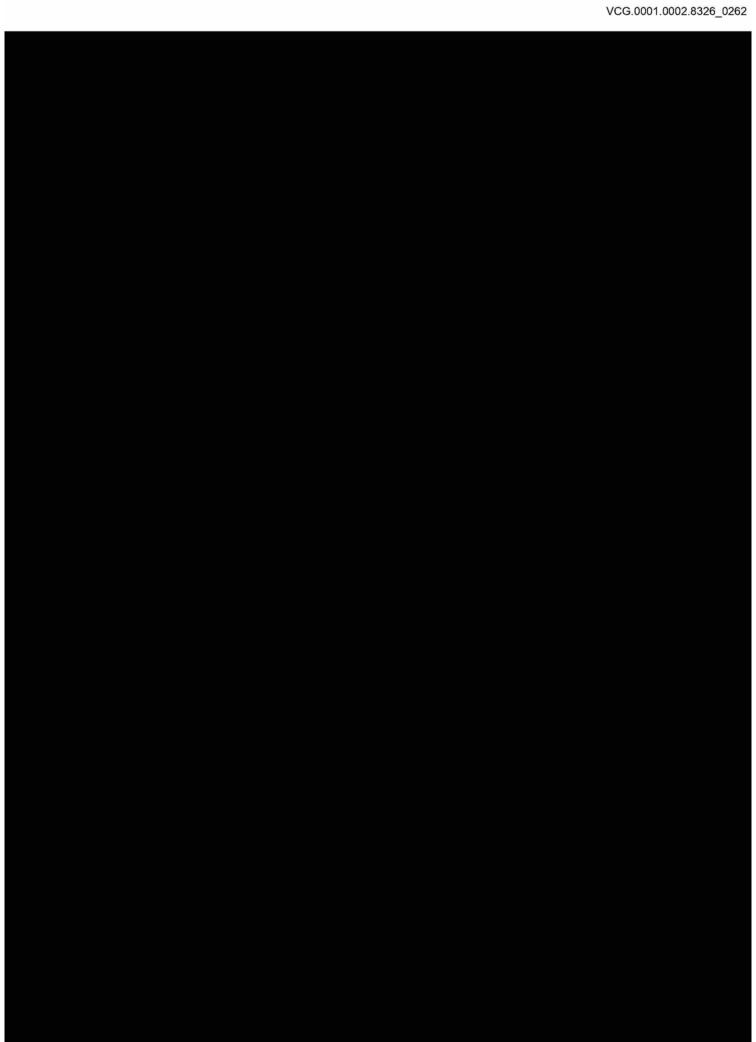


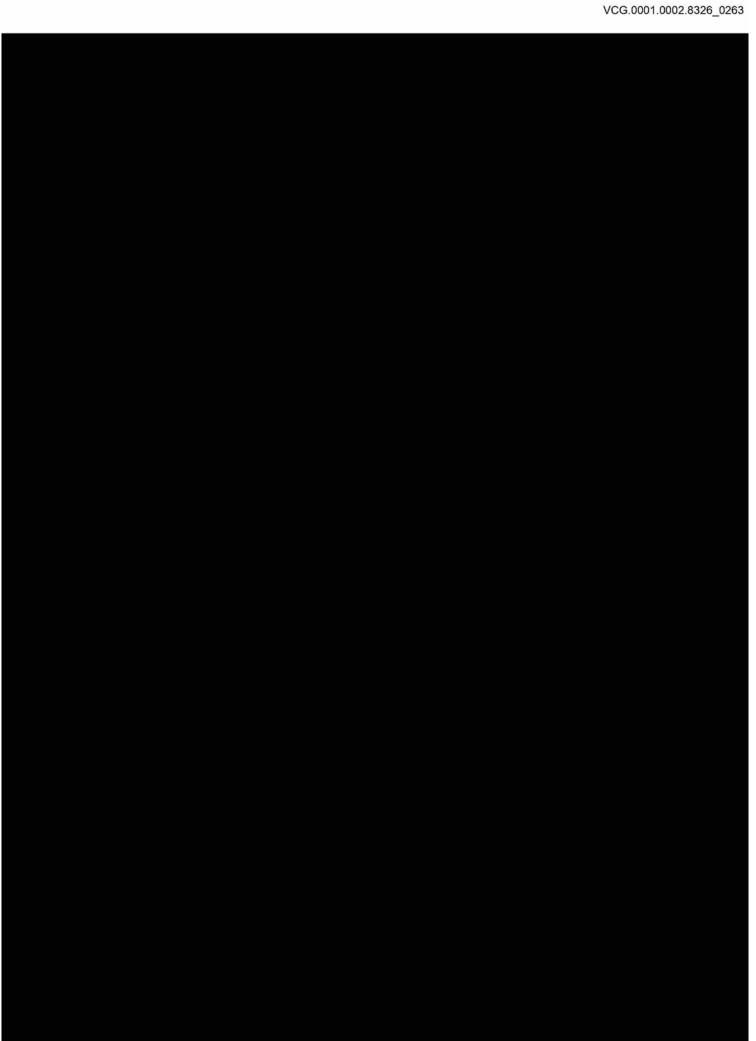


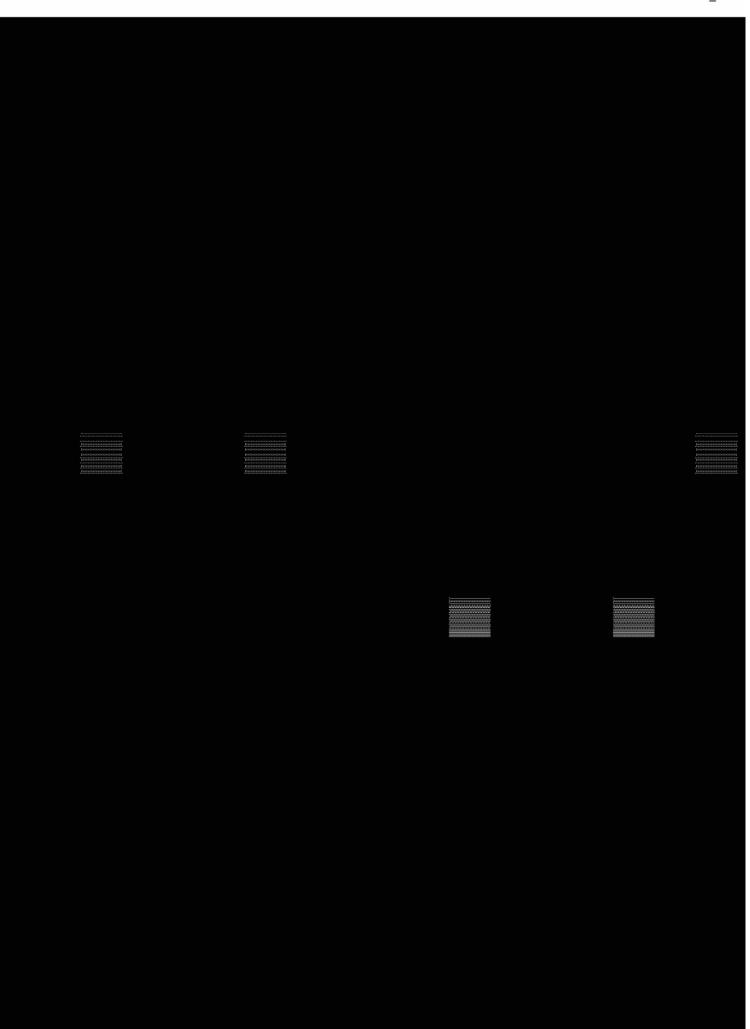


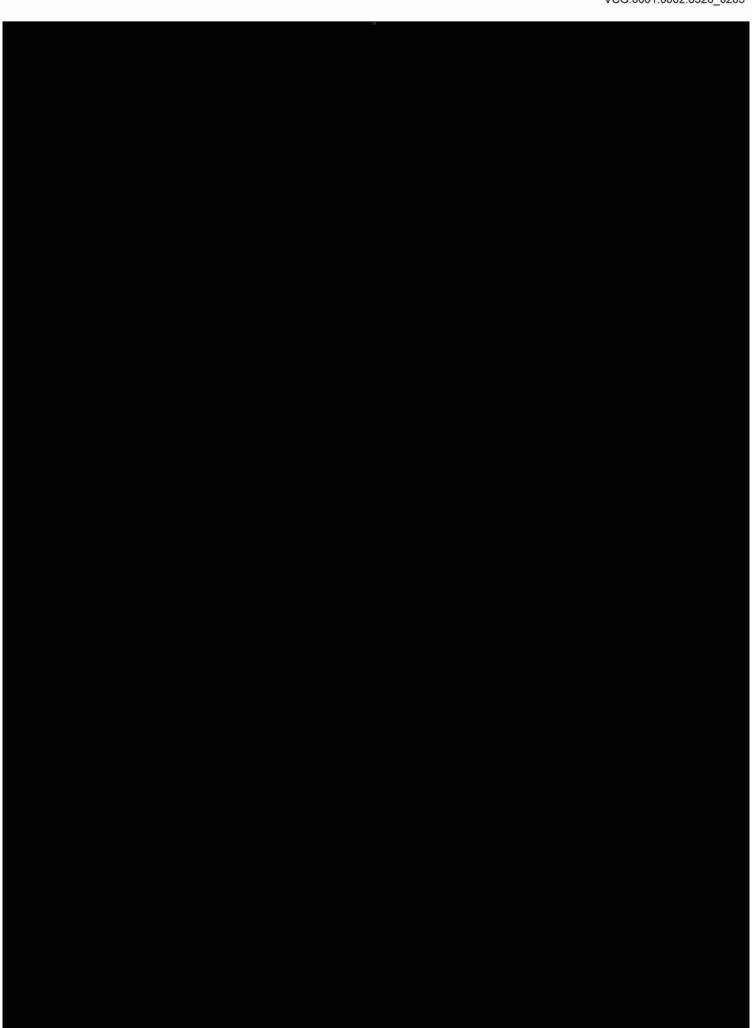


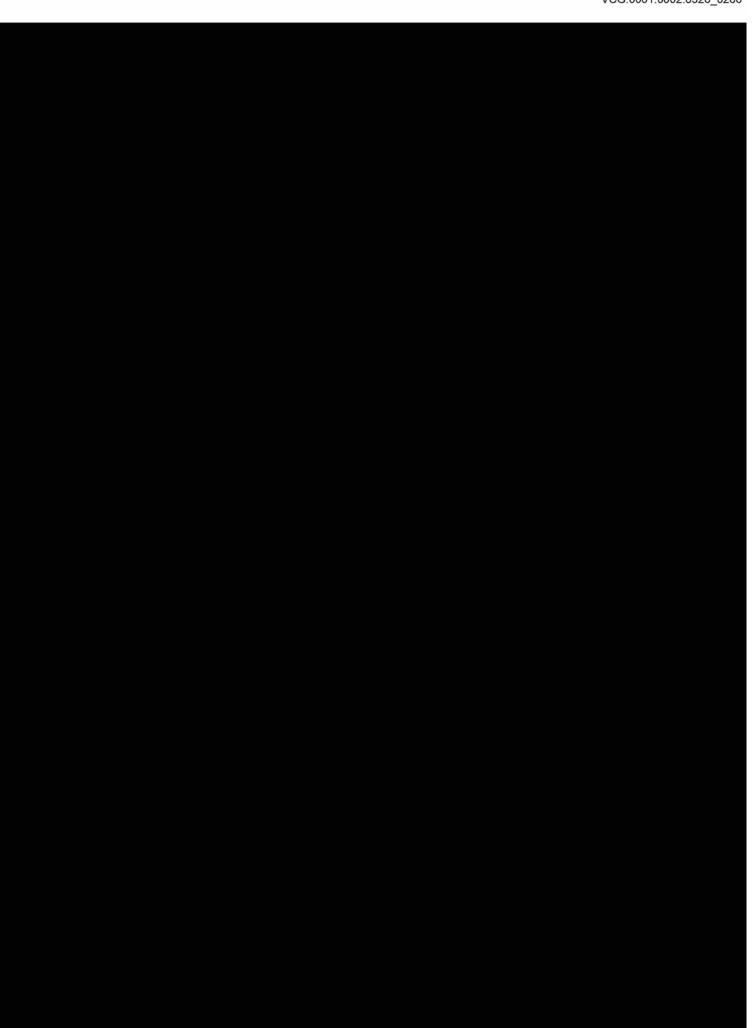


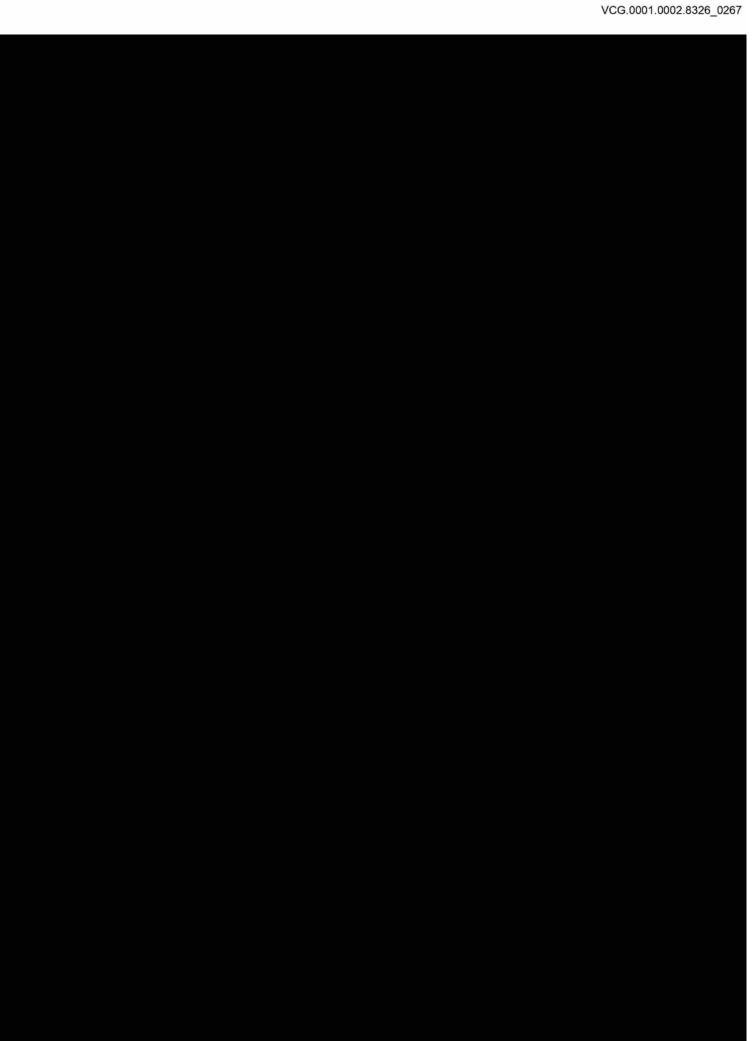














O4/03/2005 11:54 AM

To: Jane Carter/Person/DOJ,

cc:

Subject: Eightth Variation to the Casino Management Agreement

Hi Jane

Here is the draft Eighth Deed of Variation of the Casino Management Agreement, that needs to be inserted in the bill. Let me know if you need anything further.



Eighth Deed of Variation 16.2.05.doc Cate Carr Solicitor Victorian Commission for Gambling Regulation Level 5, 35 Spring Street Melbourne 3000 Telephone: 9651 3458

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Attachment 1

Casino Control (Amendment) Bill 2005

DRAFTING INSTRUCTIONS

Background

The Casino Agreement relates to the establishment and operation of the Melbourne Casino. The parties to the Casino Agreement are the Victorian Commission for Gambling Regulation (the Commission) and Crown Limited, the licensed operator of the Melbourne Casino.

Under clause 4 of the Casino Agreement the parties may vary the agreement in writing. Clause 4 of the Casino Agreement provides that any variation of the Casino Agreement is subject to the prior approval of the Minister for Gaming. The parties have agreed to vary the Casino Agreement for the ninth time and the Minister has approved the Ninth Variation Agreement.

As part of the negotiations relating to the variation of the Casino Agreement, the Minister has undertaken to Publishing and Broadcasting Limited (PBL) (the parent company of Crown Limited) to recommend to Cabinet that a Bill be drafted to amend the Casino Control Act 1991 and to ratify an amendment to the Casino Management Agreement contained in Schedule 1 of the Casino (Management Agreement) Act 1993. These drafting instructions are for that Bill.

Drafting Instructions

Parliamentary Counsel is requested to draft a Bill to amend the Casino Control Act 1991 and the Casino (Management Agreement) Act 1993 in accordance with the following instructions.

Casino Control Act 1991

Section 25 of the Casino Control Act 1991 requires the Commission to carry out a periodic review of the casino operator at intervals not exceeding 3 years. Parliamentary Counsel is requested to amend section 25 so that the review occurs at intervals not exceeding 5 years.

Parliamentary Counsel is also requested to amend section 25 to broaden the scope of the review. In addition to the matters set out in paragraphs 25(1)(a) and (b), the scope of the review should include whether or not the casino operator is meeting its obligations under the:

- Casino Control Act 1991;
- Casino (Management Agreement) Act 1993;
- Gambling Regulation Act 2003; and
- Transaction Documents

Other agreements which impose obligations on Crown.

The Transaction Documents for the purposes of this amendment include (but are not limited to) the documents listed as Transaction Documents as defined in the Casino Management Agreement, set out in Schedule 1 of the Casino (Management Agreement) Act 1993. They also include two other documents, a Deed of Undertaking and Guarantee and the Supplemental Casino Agreement.

The Transaction Documents could also include other agreements that impose obligations on Crown. The other agreements which impose obligations on Crown to the State may not necessarily be linked directly to gaming. They may include, for example, a Memorandum of Understanding between Crown and Tourism Victoria, or obligations which might exist with respect to leasing arrangements between Crown and the State. They should not, however, include other obligations, such as (for example) those imposed by environmental regulation or occupational health and safety regulation.

The nexus between these documents and the Casino Control Act 1991 is provided by the purpose of the Act, which is set out in section 1. Paragraph (c) of the purpose provides that promoting tourism, employment and economic development generally in the state is an aim of the Act. Ensuring that the casino operator complies with its obligations to the State in relation to the casino, the Melbourne Casino Complex and to undertakings it has given to promote the Melbourne Casino as a tourist attraction, is consistent with the purpose of the Act and to those matters set out in paragraphs (a) and (b) of section 25(1). Section 25 should, however, specifically refer to the Transaction Documents to make it clear that the casino operator's compliance with these documents are matters that the Commission must consider when conducting a review.

It is preferable that the Act does not specify the Transaction Documents that may be the subject of the review, as they will change from time to time. Parliamentary Counsel's advice is sought on whether it is appropriate to amend the Act to provide that the Transaction Documents that are the subject of the new expanded review are as specified by the Minister from time to time.

Some of the obligations that arise under those Acts and the Transaction Documents are regulatory obligations, while others are contractual obligations to the State. Parliamentary Counsel is requested to advise on whether the Commission has the necessary objectives, functions and powers to carry out such an expanded review.

The Commission's objectives, functions and powers are set out in sections 10.1.3 to 10.1.5 of the *Gambling Regulation Act* 2003. Paragraph 10.1.3 (f) of the *Gambling Regulation Act* 2003 provides that the Commission's objectives include any objectives in the *Casino Control Act* 1991. Section 140 of the *Casino Control Act* 1991 sets out the object of the Commission, and section 141 sets out the functions of the Commission.

If the Commission does not have the necessary powers to carry out the expanded review, Parliamentary Counsel is requested to amend the Casino Control Act 1991

and/or (if necessary) the Gambling Regulation Act 2003 to give the Commission the necessary powers.

Parliamentary Counsel is also requested to amend section 142(4) of the Casino Control Act 1991, by inserting a reference the Commission, to remove any doubt that may exist that the Commission can vary the terms of any agreement entered into under that section.

Casino (Management Agreement) Act 1993

The Minister for Gaming and Crown Limited are the parties to the Casino Management Agreement. The parties have agreed to vary the Casino Management Agreement. The variation will be the eighth deed of variation of the Casino Management Agreement, and will need to be ratified by amending the Casino (Management Agreement) Act 1993. Once executed, the deed will be provided to Parliamentary Counsel. The variation will omit clause 41.2(e) of the Casino Management Agreement and will insert two new documents, the Deed of Undertaking and Guarantee and the Supplemental Casino Agreement, into the definition of "Transaction Documents".

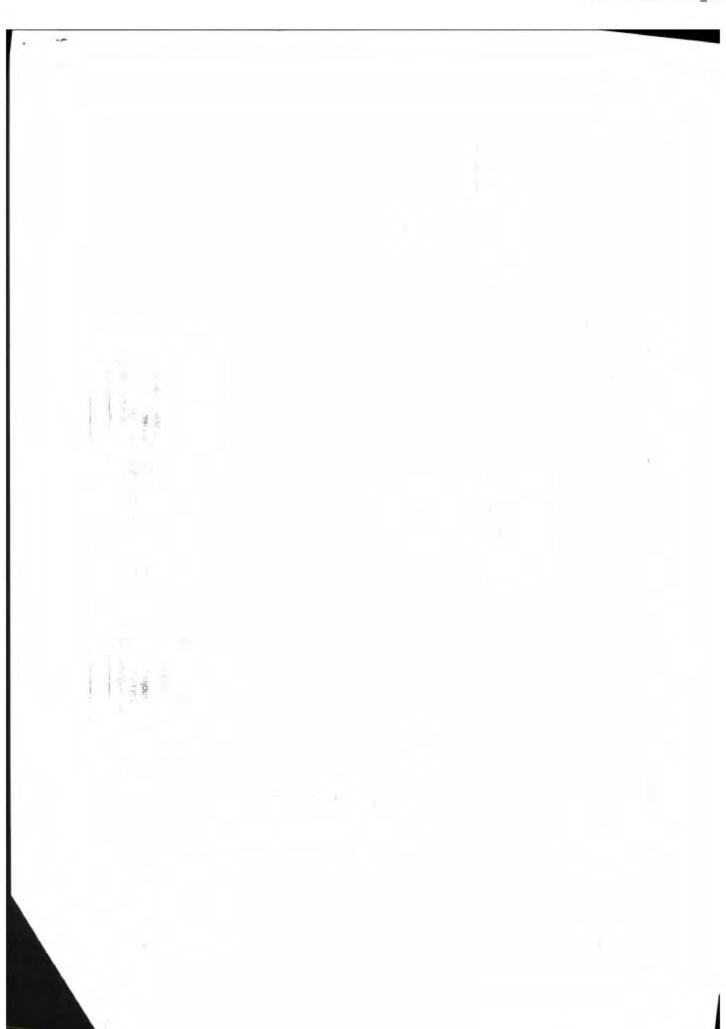
Commencement

The provisions of the Bill should commence on a day or days to be proclaimed, with a default commencement date of 1 January 2006.

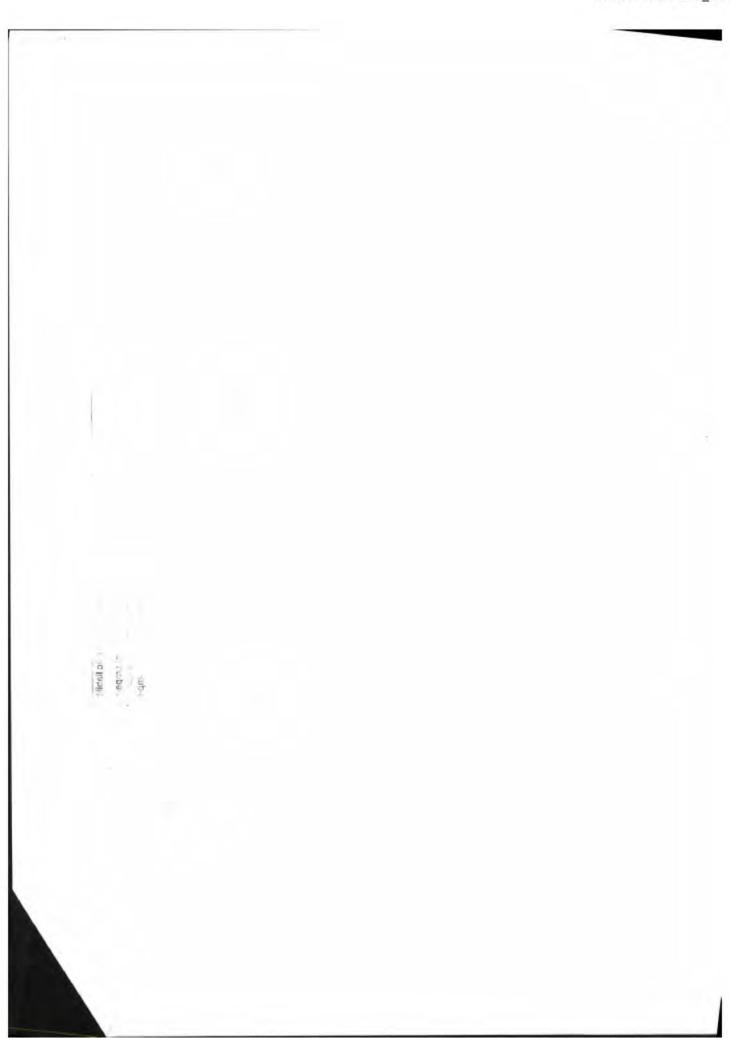
Comparison between the existing and proposed provisions of the Casino Agreement

Clause	Subject matter	Existing Agreement	Proposed Variation	Benefit
22.1(p) – (q) and 22.4	Single purpose restriction	Prohibits Crown from operating any business other than the Melbourne Casino	Removal of single purpose restriction	Will ensure that Crown is able to compete in the national and international gaming market Will create jobs and investment in the Victorian economy
22.1(ra)	Location of PBL's gaming business	No existing requirement	Crown must ensure that PBL locates the headquarters of its gaming business in Melbourne" Note: this undertaking will also be given by PBL	Will create jobs and investment in the Victorian economy Will promote Victoria as business friendly
22.1(w)	High Roller business	No existing requirement	Crown must endeavour to maintain the Melbourne Casino as the dominant high roller casino in Australia* Note: this undertaking will also be given by PBL	Will maintain interstate and international tourism to Victoria Will maintain tax revenue to the State Will ensure Crown does not solely target the local market
22.1(x)	Flagship casino	No existing requirement	Crown must ensure that PBL maintains the Melbourne Casino as the flagship casino of its gaming business in Australia* Note: this undertaking will also be given by PBL	Will maintain interstate and international tourism to Victoria Will maintain tax revenue to the State
22.1(b) - (bc)	Location of Crown management	No existing requirement	Crown management must reside in Victoria and 75% of Crown board and management meetings must be held in Melbourne	Will ensure that Crown continues to be managed from Victoria Will ensure the Commission has ready access to Crown management Will maintain jobs in Victoria
22.1(v)	Expenditure on the Casino Complex	No existing requirement	Will require Crown to spend at least \$170M on the Casino Complex over the next five	Will ensure that the value of the State's

^{*} Note: This variation is subject to the condition that the Commission and the Government not take any action affecting the casino business at the Melbourne Casino so as to materially and adversely affect Crown's ability to compete internationally and/or interstate. See Clause 28.2 – 28.4.



			years*	asset is maintained
25.6 and Schedule 5	Reporting and disclosure to the Commission	Crown must provide specified information (for example – information provided to ASIC, certain financial reports etc) and any information requested by the Commission	Will require Crown to provide to the Commission the information listed in Schedule Five, including information about: Crown's Audit Committee Crown's Compliance Committee Any investments in, or advances to, a related PBL company of more than 10% of Crown's assets Financial statements for each controlled entity in which Crown, or another company controlled by Crown, has an investment of 10% or more of Crown's assets Quarterly and annual financial statements as required by the Corporations Act 2001 Crown's forthcoming annual budget Crown's audited accounts	Will ensure that Crown discloses all information relevant to the affairs of the company, irrespective of whether that information has been requested by the Commission Will ensure that Crown gives the Commission information that it would be required to give to the ASX if Crown were a publicly listed company Will ensure that Crown provides the required information within the timelines set out in Schedule Five Will enable the Commission to monitor closely Crown's activities and to ensure that it complies with its legal responsibilities, its obligations to the Commission and its commitments to the State Will enable the Commission to monitor Crown's financial health and thereby protect the State's assets
28.1	Gross gaming revenue	Crown must strive to obtain the maximum Gross Gaming revenue	Delete the requirement to maximise Gross Gaming Revenue	Will reduce the likelihood that the Government will be criticised for encouraging irresponsible gambling practices in pursuit of gaming tax revenue
29.2	Disposal of Crown's assets	Crown is unable to dispose of company assets (other than non-Casino Assets in the ordinary course of business or obsolete Casino Assets) without the prior approval of the Commission Note: in this context Casino refers to the gambling business of the Casino – not other parts of the Casino Complex	Except with the prior written approval of the Commission, Crown must not dispose of: Casino Assets (other than in the ordinary course of business or obsolete or surplus assets); or Assets that will revert to the State when the site lease expires	Will continue to protect the Casino Assets and assets of the State Will remove unnecessary regulation of Crown's business activities
35.1	Insurance	Prescriptive and detailed requirement to insure, including specification of the types of insurance to be held, the amount of that insurance and the amount of excess payable	Crown's obligation to insure will be limited to: Business interruption insurance	Will continue to ensure that the assets of the State, including tax revenue, are protected Will continue to ensure that persons in



			Products and public liability insurance Real and personal property (ie building and contents) insurance for the Melbourne Casino Complex	the Casino Complex are protected Will ensure that Crown is able to comply with its obligations in the Casino Agreement to insure, even if the insurance market changes Will ensure that Crown notifies the Commission of any claim that may affect the State Will remove unnecessary regulation
36.3	Confidentiality	Prevents the Commission from disclosing the Casino Agreement and the Casino Licence	Will allow the Commission and/or the Government to publicly release the Casino Agreement and the Casino Licence	Will allow for increased transparency about the regulatory regime applying to the Melbourne Casino Will allow the Government to demonstrate its commitment to open and transparent government