

## CROWN MELBOURNE LIMITED

### MINUTES OF THE MEETING OF DIRECTORS HELD GARDEN ROOM 1, LEVEL 1, CROWN TOWERS THURSDAY, 3 AUGUST 2017 11:50AM

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#### IN ATTENDANCE:

<b>Board:</b>	Mr John Alexander (Chairman) Mr Ken Barton Mrs Rowena Danziger Professor John Horvath Mr Barry Felstead  Mr Joshua Preston (Secretary)
<b>By invitation:</b>	Mr Alan McGregor Mr Xavier Walsh Mr Michael Johnston
<b>Apologies:</b>	Ms Mary Manos (Co-Secretary) Mr Todd Nisbet
<b>Minutes of meeting held on 22 February 2017:</b>	The Minutes of the Board meeting held on 21 June 2017 were approved.
<b>Financial Results:</b>	Mr Felstead noted the Financial Results which were taken as read.
<b>F18-F21 Financial Plan (incorporating F18 Budget)</b>	Mr Felstead spoke to July Day 1 results and noted the following: <ul style="list-style-type: none"> <li>➤ Month to date was up on budget by 7.6%.</li> <li>➤ Machines and Tables were both ahead of budget.</li> <li>➤ Food and Beverage were down on budget, however Events and Conferences were up on budget.</li> <li>➤ Hotels are in line with budget however down on last year. The average room rates were down on budget however this was consistent across the market.</li> <li>➤ VIP is up on budget but down on last year.</li> </ul> <p>Mr Walsh spoke to the ongoing strategy regarding marketing to the local Asian market, particularly in the Vietnamese and Chinese markets, with several successful events recently held. It was noted that the links into the Asian communities will be valuable for the Crown Sydney business in due course, particularly for the Vietnamese market which is large in NSW and presents a good opportunity.</p> <p>Mr Johnston referenced the opportunities that should be explored to market into the Greek community.</p> <p>Mr Walsh indicated that we had recently recruited dedicated VIP</p>

interstate staff to support the interstate initiatives.

It was also noted that the local and interstate VIP trade had been positive, however work was still required to improve mainstream gaming.

**Current Issues:**

Mr Felstead spoke to the Current Issues paper which was taken as read.

Mr Felstead noted the Tasmanian Call Centre initiative advising that approximately 1000 calls per day were being made to Crown Rewards members with a positive response being received. Mr Felstead indicated that the business was considering keeping the Call Centre initiative in operation for a further period.

Mr Felstead briefed the Board on the Electrical Trades Union activity as a result of the outsourcing of the 16 gaming technician staff, noting that there had been a union organised protest at Crown which attracted approximately 100 people. The business will continue to monitor this issue.

Mr Felstead noted that there were currently 188 employees in the Crown Indigenous Employment Program across Melbourne and Perth with 88 employees in Melbourne and 80 employees in Perth. There had been a total of 680 employees hired under the Program since its inception.

Mr Felstead also noted that there were currently 162 employees and contractors in the CROWN*Ability* Program across Melbourne and Perth with 76 employees and 10 contractors in Perth and 70 employees and 6 contractors in Melbourne.

Mr Felstead referenced the Crown International College initiative and advised that intake was ongoing however it was progressing slower than expected. India was proving to be the stronger market for potential students and the business will market to China in due course. The appointment of agents in the relevant jurisdictions to support the initiative was progressing well.

Mr Preston provided an update on the progress of the Counter Terrorism measures that had been, and continue to be, implemented.

**Development Update:**

The Development Update was taken as read.

**Audit and Compliance Committee Updates:**

**a. Audit Committee**

The draft minutes of the Audit Committee held on 24 July 2017 were noted with no questions or matters raised.

**b. Compliance Committee**

The draft minutes of the Compliance Committee held on 24 July

2017 were noted with no questions or matters raised.

**Responsible Gaming: a. Responsible Gaming Committee**

The draft minutes of the Responsible Gaming Committee held on 24 July 2017 were noted with no questions or matters raised.

**Other Business: Declaration of Dividend**

Mr Barton spoke to Agenda Item 7.1 "Crown Melbourne Limited – Payment of Dividends".

It was noted that Crown Melbourne Limited ("the Company") wishes to pay a dividend to its sole shareholder Crown Entertainment Group Holdings Pty Ltd in the amount of \$350 million.

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

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

it was **resolved that** a dividend of \$350 million be declared and paid to the Company's sole shareholder Crown Entertainment Group Holdings Pty Ltd out of the profits of the Company, to be credited on the date of this resolution.

**Termination of Aircraft Leases**

Mr Barton spoke to Agenda Item 7.2 "Termination of Aircraft Leases" which was noted.

**Closure:** The meeting closed at 12:10pm.

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Meeting of the Board of Directors  
21 June 2017

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