

COMMERCIAL IN CONFIDENCE

**VICTORIAN COMMISSION FOR GAMBLING AND LIQUOR
REGULATION**

-and-

CROWN MELBOURNE LIMITED

(ACN 006 973 262)

MELBOURNE CASINO PROJECT

TWELFTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

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MELBOURNE CASINO PROJECT

TWELFTH VARIATION AGREEMENT TO THE CASINO AGREEMENT

THIS AGREEMENT is made on **26 SEPTEMBER 2019**

BETWEEN:

VICTORIAN COMMISSION FOR GAMBLING AND LIQUOR REGULATION, a statutory authority established under the *Victorian Commission for Gambling and Liquor Regulation Act 2011* (Vic) with its office at Level 3, 12 Shelley Street, Richmond, Victoria

("Commission")

AND

CROWN MELBOURNE LIMITED ACN 006 973 262 with its registered office at Level 3, Crown Towers, 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, 27 May 1999, 8 July 2005, 6 March 2007 and 22 October 2007.
- 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 pursuant to clause 4 of the Casino Agreement and the Commission has entered into this variation agreement pursuant to section 142(4) of the Casino Control Act and 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 1991* or the Casino Agreement have the same meaning when used in this document.

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2. VARIATION OF THE CASINO AGREEMENT

The parties agree that the Casino Agreement is varied with effect from the Effective Date in the manner set out in Schedule 1.

In this clause 2, "**Effective Date**" has the same meaning as in the Deed of Amendment and Release dated on or about the date of this document between, among others, the Commission, the State and the Company.

3. CONFIRMATION OF OTHER TERMS

The parties acknowledge and confirm that, except as 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.

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Schedule 1

Variation of the Casino Agreement

1. In clause 1, the words "PART 4A - STATE LETTER OF CREDIT" are inserted on a new line after the words "PART 4 - CORPORATE STRUCTURE AND RELATED MATTERS".
2. In clause 2, the following new definitions are inserted in alphabetical order:
 - '**Approved Bank**' means a bank or financial institution which:
 - (a) has an office in Australia; and
 - (b) is rated not less than AA- by Standard & Poors;
 - '**Crown Resorts**' means Crown Resorts Limited ACN 125 709 953;
 - '**LC Default**' means an event referred to in clause 25B.1;
 - '**Secured Money**' has the meaning given in the Fixed and Floating Charge;
 - '**Standard & Poors**' means Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc., and its successors;
 - '**State Letter of Credit**' has the meaning given in clause 22.1(s);
3. In clause 2, the definition of Control Acts is amended by deleting the words "*Building Control Act 1981*" and replacing them with "*Building Act 1993*".
4. In clause 2, the definitions of Deed of Undertaking and Guarantee, Supplemental Casino Agreement, Total Group Assets and Total Group Liabilities are deleted.
5. In clause 2, the definition of Fixed and Floating Charge is deleted and replaced with the following:
 - '**Fixed and Floating Charge**' means the first ranking fixed and floating charge dated 19 November 1993 given by the Company in favour of the Minister on behalf of the State as amended from time to time;
6. In clause 2, the definition of Transaction Document is amended by deleting the words "Deed of Undertaking and Guarantee and the Supplemental Casino Agreement" and replacing them with "*Casino Control Act* and any other document that is designated as a 'Transaction Document' for the purposes of this document by the Company and the Authority".
7. In Clause 22.1(f), the footnote is deleted and replaced with the following:
 - Amended by the Eighth Variation Agreement to the Casino Agreement effective 30 June 1999. Under clause 22B, the Authority agrees that it will not regard the Company

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as breaching clause 22.1(f) of the Casino Agreement or article 2.7 of the Company's constitution if a person becomes entitled to more than 5% of the total number of Shares in the Company solely through that person's shareholding in Crown Resorts.

8. Clause 22.1(ma) is deleted and replaced with the following:
 - (ma) not used;
9. Clause 22.1(s) is amended by:
 - (a) deleting the word "or" at the end of sub-paragraph (i) and replacing it with "and"; and
 - (b) deleting sub-paragraph (ii) and replacing it with the following:
 - (ii) 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 \$60,000,000.00 (or such lesser amount as the Authority may agree) (together, the '**State Letter of Credit**') (in addition to any other letter of credit or bank guarantee which must be provided to the State under the Management Agreement);
10. Clause 22.6 is amended by deleting the reference to "clauses 22.1(m) and 22.1(ma)" and replacing it with "clause 22.1(m)".
11. Clause 22.7 is amended by deleting each reference to "clauses 22.1(m) and 22.1(ma)" and replacing it with "clause 22.1(m)".
12. Clause 22.8 is amended by:
 - (a) deleting the reference to "clauses 22.1(m) and 22.1(ma)" and replacing it with "clause 22.1(m)"; and
 - (b) deleting the words "and the ratio of Total Group Liabilities to Total Group Assets".
13. Clause 22.9 is amended by deleting the words "and the Holding Company Group".
14. Clause 22.10 is amended by deleting the words "and the Holding Company Group".
15. Clause 22.11 is amended by deleting the words "and the Holding Company Group".
16. Clause 22.12 is amended by:
 - (a) deleting each reference to "clauses 22.1(m) and 22.1(ma)" and replacing it with "clause 22.1(m)"; and
 - (b) deleting the words "and the Holding Company Group".

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17. The following new clauses 22A, 22B and 22C are inserted after clause 22.12:

22A. CROWN RESORTS IS THE HOLDING COMPANY

The Authority and the Company agree that, for the purpose of this document, Crown Resorts will be regarded as the Holding Company (as defined in clause 2) of the Company.

22B. ENTITLEMENT TO SHARES

22B.1 Shareholding in Crown Resorts

The Authority agrees that it will not regard the Company as breaching clause 22.1(f) of this document or article 2.7 of the Company's constitution if a person becomes entitled to more than 5% of the total number of Shares in the Company solely through that person's shareholding in Crown Resorts.

22B.2 Casino Control Act not affected

For clarity, the Company acknowledges that clause 22B.1 does not affect the operation of the *Casino Control Act*, or the Authority's powers under the *Casino Control Act*, including, without limitation, in relation to the approval of a major change in the situation existing in relation to the Company or the Melbourne Casino.

22C. PROVIDE COPY OF NOTICE

The Company must provide the Authority with a copy of any notice given to it by any of its financiers (whether directly or through their agent) requiring it to remedy any breach or event of default however described, as soon as practicable after it receives such notice.

18. Clause 25.5 is amended by deleting each reference to "Australian Securities Commission" and replacing it with "Australian Securities and Investments Commission".

19. The following new Part 4A is inserted after clause 25.6:

PART 4A - STATE LETTER OF CREDIT

25A. ADDITIONAL OR REPLACEMENT LETTER OF CREDIT

- 25A.1** If, at any time a claim for an amount is made by the State under the State Letter of Credit and any Secured Money is actually, contingently or prospectively owing at that time, then the Company will procure the issue and delivery of an additional letter of credit to the State issued by an Approved Bank and with a face value equal to such amount but otherwise in the same form as the State Letter of Credit and expiring on the same date as the State Letter of Credit.

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25A.2 For so long as there is any Secured Money actually, contingently or prospectively owing, the Company must deliver to the State a replacement State Letter of Credit no later than 6 months prior to the stated expiry date of the then current State Letter of Credit. A replacement State Letter of Credit under this clause must have a term of not less than 3 years from the stated expiry date of the State Letter of Credit it replaces.

25B. LC DEFAULT

25B.1 The Company and the Authority agree that it is an event, the occurrence of which entitles the Authority to issue a notice to the Company under section 20(2) of the Casino Control Act and a contemporaneous default under clause 9.1 of the Site Lease if:

- (a) the Company fails to procure the issue and delivery of an additional letter of credit to the State in accordance with clause 25A.1 and such failure continues for 60 days; or
- (b) the Company fails to deliver to the State a replacement State Letter of Credit in accordance with clause 25A.2 and such replacement State Letter of Credit has still not been delivered to the State 60 days prior to the expiry of the then current State Letter of Credit.

25B.2 Without limiting the Authority's rights under clause 25B.1, the State can make a claim under the State Letter of Credit if the LC Default in clause 25B.1(b) occurs.

25C. WAIVER OF AN LC DEFAULT

If the State gives a notice under clause 2.12(b) of the Fixed and Floating Charge in relation to an LC Default then, for the period specified in that notice:

- (a) the State shall be taken to also have waived its rights powers and remedies under clause 9.1 of the Site Lease as a consequence of the event constituting that LC Default and must not exercise those rights powers and remedies as a consequence of that event; and
- (b) the Authority shall not be entitled to issue a notice under section 20(2) of the *Casino Control Act* in relation to that event.

20. Clause 31.2(aa) is deleted and replaced with the following:

- (aa) an LC Default occurs under clause 25B;

21. Clause 31.2(b)(i) is amended by deleting the words "or administrator".

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22. The following new clause 31.2(bb) is inserted after clause 31.2(b):
 - (bb) an administrator is appointed to the Company and either:
 - (i) the Company is insolvent within the meaning of section 95A of the *Corporations Act* at the time of the appointment; or
 - (ii) if the Company is not insolvent within the meaning of section 95A of the *Corporations Act* at the time of the appointment, the Company does not, within five Business Days of the appointment, establish to the reasonable satisfaction of the Authority that the Company will be able to perform its obligations under the Transaction Documents despite the appointment;
23. Clause 36.1(h) is amended by deleting the words "Australian Stock Exchange" and replacing them with "Australian Securities Exchange".

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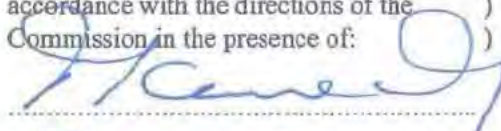
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26 SEP 2019

EXECUTED by the parties as a deed.

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


..... Commissioner

Rob Davis Kennedy
..... Full name


..... Commissioner

DEIRDRE ANNE O'DONNELL
..... Full name

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SIGNED SEALED AND DELIVERED
by **CROWN MELBOURNE**
LIMITED:



Signature of director

John Henry Alexander

Name



Signature of director/secretary

MARY MANOS

Name

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