

To: Scott May [REDACTED]
From: Mary Manos [REDACTED]
Sent: Fri 2019/09/13 2:49:58 PM (UTC+10:00)
Subject: Crown Melbourne Security Package Amendments
[Supp Casino Agree Vic Casino Gaming Authority and Publishing And Broadca....pdf](#)

Dear Scott

As you know, the "Casino Agreement" between the VCGLR and Crown Melbourne is reflected in the following two documents:

- ∨ The Consolidated Casino Agreement between the parties; and
- ∨ The Supplemental Casino Agreement dated 27 May 1999 between the VCGLR, Crown Melbourne and Publishing and Broadcasting Limited (PBL).

Clause 7.1 of the Supplemental Casino Agreement provides that the Authority agrees that it will not regard Crown Melbourne as breaching clause 22.1(f) of the Consolidated Casino Agreement or article 2.7 of the Crown Melbourne's constitution if a person becomes entitled to more than 5% of the total number of Shares in Crown Melbourne solely through that person's shareholding in PBL.

When Crown Resorts acquired Crown Melbourne at the end of 2007, an exercise was undertaken to update references to PBL in the Consolidated Casino Agreement to Crown Resorts. It appears that when that exercise was done, the separate Supplemental Casino Agreement was not incorporated into the one document, so continues to exist alongside the Consolidated Casino Agreement.

The currently proposed amendments to the Casino Agreement reflect an agreed position in relation to the security package. As part of that processes we have also undertaken the administrative exercise of consolidating the provisions of the Supplemental Casino Agreement so that going forward, the parties need only refer to the one document.

Clause 7.1 of the Supplemental Casino Agreement now appears as clause 22B.1 of the Consolidated Casino Agreement. But for updating the reference to PBL to Crown Resorts, the clause is in the exact same terms.

The effect of the clause is to acknowledge that Crown Melbourne as a subsidiary company of Crown Resorts has no power to direct or control the register of Crown Resorts. Similarly, as a listed public company whose shares are feely traded, Crown Resorts also has limited power to control its register.

In the above circumstances, it is appropriate that is be clarified that Crown Melbourne should not be taken to have contravened clause 22.1(f) of the Consolidated Casino Agreement if a person becomes entitled to more than 5% of the total number of Shares in Crown Melbourne solely through that person's shareholding in Crown Resorts. Even if Crown Melbourne became aware of a deemed interest in its shares there would be little it could do to "not allow" that interest.

I trust that this clarifies the insertion of new clause 22B.1, but please do not hesitate to contact me should you wish to further discuss.

Kind regards

Mary

Mary Manos

General Counsel & Company Secretary

Crown Resorts Limited



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