

# Remuneration Report

This Remuneration Report for the year ended 30 June 2017 outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Corporations Regulations 2001* (Cth). For the purposes of this Report, key management personnel (KMP) of the Crown group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Crown group, directly or indirectly, including any Director (whether executive or otherwise) of Crown Resorts Limited.

The disclosures in this Report have been audited. This Report is presented under the following sections:

1. Introduction
2. Overview of Remuneration Policy
3. Summary of Senior Executive Remuneration Structure
  - Fixed Remuneration
  - Performance Based Remuneration
4. Details of Performance Based Remuneration Elements
  - Short Term Incentives
  - Long Term Incentives: 2014 Crown Long Term Incentive Plan and 2017 Senior Executive Incentive Plan
5. Relationship between Remuneration Policy and Company Performance
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  - Policy on entering into transactions in associated products which limit economic risk
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## Introduction

### Persons to whom report applies

The remuneration disclosures in this Report cover the following persons:

#### **Non-executive Directors**

- Benjamin A Brazil (until 12 April 2017)
- The Hon. Helen A Coonan
- Rowena Danziger
- Andrew Demetriou
- Geoffrey J Dixon
- Professor John S Horvath
- Michael R Johnston
- Harold C Mitchell
- Robert J Rankin (until 21 June 2017 (Chairman from 12 August 2015 to 31 January 2017))

#### **Executive Directors**

- John H Alexander (Executive Chairman from 1 February 2017, previously Executive Deputy Chairman)
- Rowen B Craigie (Managing Director and Chief Executive Officer until 28 February 2017)

#### **Other company executives and key management personnel**

- Kenneth M Barton (Chief Financial Officer and CEO Crown Digital)
- Barry J Felstead (Chief Executive Officer – Australian Resorts)
- W Todd Nisbet (Executive Vice President – Strategy and Development)

In this Report the group of persons comprised of the Executive Directors and the other company executives and key management personnel (listed above) are referred to as “Senior Executives”.

This Report contains a similar level of disclosure to the 2016 Remuneration Report. Other than the introduction of a new Senior Executive Incentive Plan (described below), there has been no material change to the Company’s remuneration policy during the period and much of the description of the Company’s remuneration policy in this Report is therefore unchanged from last year.

#### **Crown Group Restructure**

In February 2017, Crown announced that after more than 20 years with the Crown group, Chief Executive Officer and Managing Director, Rowen Craigie would be stepping down from his role with effect from 28 February 2017.

Given the decision to reduce (and then ultimately exit) Crown’s investment in Melco Resorts & Entertainment Limited (MRE) (formerly Melco Crown Entertainment Limited) and to discontinue the proposed Alon Las Vegas project, the Board decided that following the cessation of Mr Craigie’s employment, a simplified organisation structure reflecting the changed focus of Crown’s business should be adopted.

Accordingly, it was determined that Mr Craigie’s responsibilities would be assumed by the then newly appointed Executive Chairman, John Alexander.

The Senior Executives who report to Mr Alexander are Mr Barry Felstead, Chief Executive Officer – Australian Resorts, Mr Todd Nisbet, Executive Vice President – Strategy and Development and Mr Ken Barton – Chief Financial Officer who also assumed the role as CEO of Crown’s Digital Businesses during the period.

As Executive Chairman, Mr Alexander now has primary accountability for the management of Crown and, as noted, has assumed the responsibilities of the previous Chief Executive Officer. Mr Alexander’s role therefore effectively replaced three existing positions, being

Chairman, Executive Deputy Chairman and the Chief Executive Officer.

On account of these increased responsibilities, the employment arrangements for Mr Alexander were varied and a new Contract of Employment was entered into. A summary of the material terms of Mr Alexander's Contract of Employment has been set out under the heading "Remuneration details for Senior Executives" later in this Report.

## Overview of Remuneration Policy

### Philosophy

Crown is a company that provides outstanding customer service and, to remain competitive, Crown must continue to enhance the experience of all customers who visit Crown's land based and digital properties. As a result, the performance of the Crown group is highly dependent upon the quality of its Directors, senior executives and employees. Crown seeks to attract, retain and motivate skilled Directors and senior executives in leadership positions of the highest calibre. Crown's remuneration philosophy is to ensure that remuneration packages properly reflect a person's duties and responsibilities, that remuneration is appropriate and competitive both internally and as against comparable companies and that there is a direct link between remuneration and performance. Crown has differing remuneration structures in place for Non-executive Directors and Senior Executives.

### Non-executive Directors

The process for determining remuneration of the Non-executive Directors has the objective of ensuring maximum benefit for Crown by the retention of a high quality Board.

The Nomination and Remuneration Committee bears the responsibility of determining the appropriate remuneration for Non-executive Directors. Non-executive Directors' fees are reviewed periodically by the Nomination and Remuneration Committee with reference to the fees paid to the Non-executive Directors of comparable companies. The Nomination and Remuneration Committee is subject to the direction and control of the Board.

In forming a view of the appropriate level of Board fees to be paid to Non-executive Directors, the Nomination and Remuneration Committee may also elect to receive advice from independent remuneration consultants, if necessary. Details regarding the composition of the Nomination and Remuneration Committee and its main objectives are outlined in the Corporate Governance Statement. The Nomination and Remuneration Committee is comprised solely of independent Non-executive Directors.

A review of Non-executive Directors' fees was conducted at the beginning of the 2017 financial year and, at the 2016 Annual General Meeting, shareholders approved an increase in the aggregate Non-executive Directors' fee cap in Crown's Constitution to \$2,500,000. Following the receipt of shareholder approval, Non-executive Directors' fees were increased with effect from 1 November 2016. Further detail regarding this process is set out under the heading "Remuneration details for Non-executive Directors" later in this Report.

No performance based fees are paid to Non-executive Directors. Non-executive Directors are not entitled to participate in Crown's incentive plans (described more fully below). Non-executive Directors are not provided with retirement benefits other than statutory superannuation at the rate prescribed under the *Superannuation Guarantee (Administration) Act 1992* (Cth) (Superannuation Legislation).

### Senior Executives

The remuneration structure for Senior Executives incorporates a mix of fixed and performance based remuneration. The following section provides an overview of the fixed and performance based elements of executive remuneration. The summary tables provided later in this Report indicate which elements apply to each Senior Executive.

Crown's key strategies and business focusses which are taken into consideration as part of performance based remuneration are set out on page 5 of the Annual Report.

## Summary of Senior Executive Remuneration Structure

### Fixed remuneration

The objective of fixed remuneration is to provide a base level of remuneration which is appropriate to the Senior Executive's responsibilities, the geographic location of the Senior Executive and competitive conditions in the appropriate market.

Fixed remuneration is therefore determined with reference to available market data, the scope and any unique aspects of an individual's role and having regard to the qualifications and experience of the individual. From time to time, Crown seeks a range of specialist advice to help establish the competitive remuneration for its Senior Executives.

Fixed remuneration typically includes base salary and superannuation at the rate prescribed under the Superannuation Legislation, mobile telephone costs, complimentary privileges at Crown Melbourne and Crown Perth and may include, at the election of the Senior

Executive, other benefits such as a motor vehicle, additional contribution to superannuation, car parking and staff gym membership, aggregated with associated fringe benefits tax to represent the total employment cost (TEC) of the relevant Senior Executive to Crown.

Fixed remuneration for the Senior Executives (except the Executive Chairman) is reviewed annually by the Executive Chairman and is approved by the Nomination and Remuneration Committee.

The review process measures the achievement by the Senior Executives of their Key Performance Objectives (KPOs) established at the beginning of the financial year (see further below), the performance of Crown and the business in which the Senior Executive is employed, relevant comparative remuneration in the market and relevant external advice.

Fixed remuneration for the Executive Chairman is reviewed by the Nomination and Remuneration Committee following their consideration of his performance against his annual KPOs.

The KPOs for Senior Executives, including the Executive Chairman are closely aligned with the objectives set out in Crown's Four Year Financial Plan (see below).

Prior to becoming Executive Chairman, Mr Alexander's fixed annual remuneration was \$1.5 million and he also participated in the long term incentive program. The former Chief Executive Officer and Managing Director received fixed annual remuneration of approximately \$3.1 million and he also participated in short term and long term incentive programs. As a result of the Crown group restructure (described above), the position of Executive Chairman replaced these roles which, at a cost of \$3.5 million per annum in fixed remuneration, is less than the combined TEC of the Executive Deputy Chairman and the Chief Executive Officer and Managing Director roles previously in place.

Any payments relating to redundancy or retirement are as specified in each relevant Senior Executive's contract of employment.

For summaries of Senior Executive contracts of employment, see pages 63 to 69 of this Report.

### Performance based remuneration

The performance based components of remuneration for Senior Executives seek to align the rewards attainable by Senior Executives with the achievement of particular annual and long term objectives of Crown and the creation of shareholder value over the short and long term. The performance based components which applied to the Senior Executives during the year were as follows:

- Short Term Incentives (STI); and
- Long Term Incentives (the 2014 Crown Long Term Incentive Plan (2014 Crown LTI) and the 2017 Senior Executive Incentive Plan (2017 Incentive Plan)).

A key focus of the Crown Board is the achievement of the Crown group's annual business plan and budget and the long term financial plan. In order to provide incentives to executives, each of the STI and the 2014 Crown LTI link back to key elements of the business plan and budget and long term financial plan. It is therefore important to understand how that business plan and budget and long term financial plan are developed. A summary of the process involved is set out below. The 2017 Incentive Plan is based on an alignment of the relevant Senior Executive's reward to the appreciation of Crown's share price and is contingent on continued employment with the Crown group.

### *Development of Long Term Financial Plan (Four Year Financial Plan)*

Each year, the Crown Board approves a financial plan which contains the key assumptions and forecasts for each Crown group business and for the Crown group as a whole for the four year period commencing in the following financial year (Four Year Financial Plan).

The process for developing, reviewing and approving the Four Year Financial Plan is rigorous. Each department in each Crown business must prepare a four year financial plan. Key inputs into this process include current operating performance and the previously approved Four Year Financial Plan, having regard to:

- performance relative to targets set in the previous Four Year Financial Plan;
- any changes in the business;
- any changes in factors affecting performance over the four year period; and
- any new strategic initiatives and changes in the market in which those businesses are operating.

The targets in each department's four year financial plan incorporate an underlying target growth in operating profit with additional operating profit increases arising from capital expenditure programs, performance improvement initiatives and other strategic impacts.

Each department's four year forecast is consolidated into the relevant business's four year forecast which is then reviewed by the Chief Executive Officer and Chief Financial Officer of the relevant business.

In turn, the four year forecast for each business is then incorporated into the Four Year Financial Plan and

reviewed by the Crown Resorts Limited Chief Financial Officer and the Executive Chairman before it is submitted to the Crown Board for review and approval.

### **Development of Annual Business Plan and Budget**

Crown's Annual Business Plan and Budget is prepared having regard to the Four Year Financial Plan.

The Annual Business Plan and Budget is based on the first year of the Four Year Financial Plan and details key operational strategic initiatives and the risks to be addressed. It is developed on a departmental basis, which is then incorporated into each business's annual budget and business plan and, finally, into the Crown group Annual Business Plan and Budget, which then must be approved by the Crown Board.

## Details of Performance Based Remuneration Elements

### **Short term Incentives (STI)**

The remuneration of Senior Executives is linked to Crown's short term annual performance through a cash-based STI. Individuals may be paid an STI following an assessment of the performance of the Crown group in the previous year and the performance of the individual against agreed annual KPOs. Senior Executives have a potential or target STI, which is subject to the Crown group's performance and the achievement of the Senior Executive's KPOs established at the beginning of each financial year. In summary, the typical KPO structure might comprise the following elements:

Financial Performance Objectives	<ul style="list-style-type: none"> <li>• Performance against budgeted normalised EBITDA<sup>1</sup> and/or net profit after tax.</li> </ul>
Typical Non-Financial Objectives	<ul style="list-style-type: none"> <li>• Management of major capital expenditure and investment programs to ensure projects are delivered on time and on budget, while minimising disruption at relevant Australian properties as well as the subsequent delivery of anticipated benefits from those capital programs.</li> <li>• Reinforcement and delivery of outstanding customer experiences through continuous improvement in Crown's service culture.</li> <li>• Successful management of Crown stakeholders, including government, media, trade unions, community organisations, to achieve targeted outcomes.</li> <li>• Achievement of successful expansion of customer base for Crown properties and digital businesses through marketing or other relevant activities.</li> <li>• Growth in engagement levels of employees across Crown.</li> <li>• Achievement of margin improvement targets through the implementation of approved programs aimed at reducing costs and increasing asset yield.</li> <li>• Achievement (or maintenance) of improvements in key occupational health and safety statistics.</li> </ul>

Financial performance objectives are derived from Crown's Annual Business Plan and Budget as the Crown Board considers this is the best way to ensure that Crown meets the Annual Business Plan and Budget, aligning performance outcomes with shareholder value.

A failure to achieve relevant financial performance objectives will result in Senior Executives receiving either no STI bonus or, where relevant financial performance objectives are only partially met, a reduced STI bonus. The Crown Board retains discretion, however, to pay an STI bonus where financial performance objectives have not been met, but other objectives have been achieved.

Appropriate non-financial performance objectives (such as those set out above) are also included in a Senior Executive's KPOs where they are within that Senior Executive's sphere of influence and are relevant to the Senior Executive's area of work. These metrics are aligned with the achievement of Crown's Annual Business Plan and Budget.

<sup>1</sup> In this Report, the term "normalised EBITDA" represents EBITDA which has been adjusted to exclude the impact of any variance from theoretical win rate on VIP program play and the impact of significant items (where applicable).

The performance of each Senior Executive against financial and non-financial KPOs is reviewed on an annual basis. Whether KPOs have been achieved is determined by the Executive Chairman, having regard to the operational performance of the business or function in which the Senior Executive is involved and the Executive Chairman's assessment of the attainment of the individual's KPOs.

The Executive Chairman reviews performance based remuneration entitlements and recommends the STI payments, subject to final approval by the Nomination and Remuneration Committee and the Board.

The Executive Chairman's eligibility for an STI is determined by the Nomination and Remuneration Committee on behalf of the Board.

For a more detailed commentary on financial year 2017 STI bonuses see page 70.

### Long term Incentives

This year, as part of the Crown group restructure described earlier in this Report, the Board determined that an additional long term incentive plan be put in place in order to incentivise selected Senior Executives to remain with the Crown group to assist it to achieve the group's strategic plans over the life of the 2017 Four Year Financial Plan. Accordingly, Crown has the following two long term incentive plans in place:

- the 2014 Crown Long Term Incentive Plan (2014 Crown LTI); and
- the 2017 Senior Executive Incentive Plan (2017 Incentive Plan).

This section of the Report describes these two Plans.

#### 2014 Crown Long Term Incentive Plan (2014 Crown LTI)

The 2014 Crown LTI was made available to selected senior executives with effect from 1 July 2014. A summary of the terms of the 2014 Crown LTI follows.

##### *Operation of the 2014 Crown LTI*

The award of a long term incentive bonus under the 2014 Crown LTI is dependent on Crown achieving certain earnings per share hurdles (EPS Hurdles) in respect of, or in relation to, the four financial years ending 30 June 2015, 30 June 2016, 30 June 2017 and 30 June 2018 (each a Plan Year).

The 2014 Crown LTI rules provide that the earnings per share (EPS) target would exclude the contribution from MRE and are to be calculated in accordance with the following formula:

$$\frac{\text{Crown Profit}}{\text{Total Crown Shares}}$$

where:

**Crown Profit** means, in respect of a Plan Year, the normalised net profit after tax of the group for that Plan Year (excluding the contribution made by MRE and significant items). Normalised net profit excludes the impact of any variance from the theoretical win rate on VIP program play. For the purposes of both the EPS Hurdles and actual EPS, a theoretical win rate of 1.4% is applied; and

**Total Crown Shares** means the average of the largest number of Crown shares on issue during each day during the relevant Plan Year.

##### *How EPS Hurdles were derived*

The EPS Hurdles adopted in the 2014 Crown LTI were derived directly from EPS forecasts put in place in respect of the 2014 Four Year Financial Plan (each an EPS Target). Accordingly, the 2014 Crown LTI was specifically designed to provide an incentive to senior executives participating in the 2014 Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2015 to financial year 2018 was met. The way in which Crown's Four Year Financial Plans are developed has been described in detail above.

The EPS Hurdles in financial year 2015, financial year 2016 and financial year 2017 are 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2018 is 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

##### *Why earnings per share is used as the single measure for the 2014 Crown LTI*

Crown has elected to use earnings per share as the single measure for its 2014 Crown LTI.

Earnings per share targets represent the product of individual business unit future performance projections (as determined by relevant executives based on their business unit's four year financial plan targets). These individual future performance projections are aggregated with group costs, interest and taxes to arrive at a Crown group earnings per share target.

As a result, each executive knows with certainty what performance hurdles need to be met from their respective business operations over an extended period in order to meet the EPS Targets. In addition, as the executive group collectively needs to achieve the consolidated EPS Target, it fosters a cooperative approach across businesses to optimise the Crown group as well as individual business unit outcomes.

In developing the 2014 Crown LTI, consideration was given by the Crown Board to a range of different measures as well as the potential use of multiple measures, however, ultimately, it was determined that a single clear, unambiguous target in the form of an earnings per share hurdle was best suited to Crown. For example, consideration was given to the use of a relative measure, such as relative total shareholder return (TSR), however, it was decided such measures were not appropriate for Crown. This is because there are a limited number of comparable companies within any sizeable ASX comparator group and many of the larger companies listed on ASX bear little resemblance to Crown (e.g. financial institutions and resource companies). As the results and share prices of such companies can be expected to move in line with different economic factors (such as credit conditions and global resource market conditions) the Crown Board considered it to be inappropriate to base Crown executives' long term rewards on factors over which Crown executives have little influence.

In addition, the complexity of TSR and other relative measures (to accommodate changes in the comparator group, restructurings and capital management initiatives) can, in some cases, cause them to be of limited value in motivating executives to individually and collectively deliver outstanding performance. It is difficult for executives to equate their individual performance and efforts to the performance of Crown's share price relative to unrelated and incomparable companies.

Crown acknowledges that its EPS Targets are, to a large degree, an internal measure. However, Crown has disclosed in this Report (and will continue to disclose) its historical EPS Targets and EPS Hurdles as well as actual EPS performance against those historical targets, so that shareholders are able to see the "stretch" nature of these targets.

#### **How bonuses accrue**

If an EPS Hurdle is achieved in respect of a Plan Year, a Participant will become entitled to a portion of the potential maximum bonus (Maximum Bonus) which may be achieved under the 2014 Crown LTI in accordance with the following table:

<b>Plan Year</b>	<b>Percentage</b>
Plan Year 1	15%
Plan Year 2	20%
Plan Year 3	25%
Plan Year 4	40%

The Plan rules provide that bonuses will only ultimately be paid at the end of financial year 2018 either by way of the transfer of shares acquired under the 2014 Crown LTI or the payment of cash. See further below.

#### **Effect of achieving an EPS Hurdle**

If an EPS Hurdle is met in respect of a Plan Year, the 2014 Crown LTI provides that Crown will calculate the dollar value of the bonus in respect of the relevant Plan Year (Plan Year Bonus) by multiplying the Maximum Bonus for the Participant by the relevant percentage applicable to that Plan Year (as set out in the table above).

If the Plan Year is Plan Year 1, Plan Year 2 or Plan Year 3, the 2014 Crown LTI provides that Crown will pay the Plan Year Bonus earned by the Participant to the nominated Trustee and with an instruction that the Trustee apply that Plan Year Bonus to acquire Crown shares on market (Participant Shares), to be held on trust for the benefit of the Participant until the end of Plan Year 4 (at which time the shares could be transferred to the Participant).

In respect of Plan Year 4, the 2014 Crown LTI provides that Crown will pay the Plan Year 4 Plan Year Bonus to the Participant in cash and also advise the Trustee, who will arrange for any shares held in trust to be transferred to the relevant Participant. The Plan Year 4 Plan Year Bonus is designed to be paid in cash because the Participant will be required to pay tax on the Bonus at this time.

#### **Effect of not achieving one or more EPS Hurdles**

If an EPS Hurdle is not met, the 2014 Crown LTI provides as follows:

- if an EPS Hurdle in respect of Plan Year 1, Plan Year 2 or Plan Year 3 is not met, Crown will calculate the Plan Year Bonus which would have been applied to the purchase of Participant Shares had the relevant EPS Hurdle been met (Carried Over Plan Year Bonus);
- if the EPS Hurdle in respect of Plan Year 4 is met:
  - the Plan Year 4 Bonus will be paid by Crown to the relevant Participant in cash;
  - the Trustee will arrange for any Crown shares held in trust to be transferred to the relevant Participant; and
  - if the sum of the EPS Targets for financial year 2015, financial year 2016, financial year 2017 and financial year 2018 (Cumulative EPS Hurdle) has also been met, any Carried Over Plan Year Bonuses will also be paid to the relevant Participant in cash. The Carried Over Plan Year Bonuses (if any) are paid in cash because the Participant will be required to pay tax on these Bonuses at this time.

- if the EPS Hurdle in respect of Plan Year 4 is not met but both the Fallback Plan Year 4 EPS Hurdle (i.e. 98% of the Plan Year 4 EPS Target) and the Cumulative EPS Hurdle are met:
  - the Plan Year Bonus in respect of Plan Year 4 will be paid by Crown to the relevant Participant in cash;
  - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
  - the Trustee will arrange for any Crown shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Fallback Plan Year 4 EPS Hurdle are met but the Cumulative EPS Hurdle is met:
  - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
  - any Carried Over Plan Year Bonuses will be paid to the relevant Participant in cash; and
  - the Trustee will arrange for any Crown shares held in trust to be transferred to the relevant Participant.
- if neither the EPS Hurdle in respect of Plan Year 4 nor the Cumulative EPS Hurdle are met (whether or not the Fallback Plan Year 4 EPS Hurdle is met):
  - the Plan Year Bonus in respect of Plan Year 4 will not be paid by Crown to the relevant Participant;
  - any Carried Over Plan Year Bonuses will lapse and will not be paid by Crown to the relevant Participant; and
  - the Trustee will arrange for any Crown shares held in trust to be transferred to the relevant Participant.

**Illustration**

The following is an illustration of a range of outcomes which might have been achieved by a Participant under the 2014 Crown LTI. It does not include every permutation or combination of outcomes which the 2014 Crown LTI was designed to achieve.

Key: ✓ = Achieved ✗ = Not achieved.

Year 1 EPS Hurdle Met? 15%	Year 2 EPS Hurdle Met? 20%	Year 3 EPS Hurdle Met? 25%	Year 4 EPS Hurdle Met? 40%	Fallback Year 4 EPS Hurdle Met? 40%	Cumulative EPS Hurdle Met?	
✓	✓	✓	✓		✓ 60% shares 40% cash	
✓	✓	✓	✗	✓	✓ 60% shares 40% cash	✗ 60% shares No cash
				✗	✓ 60% shares No cash	✗ 60% shares No cash
✓	✓	✗	✗	✓	✓ 35% shares 65% cash	✗ 35% shares No cash
				✗	✓ 35% shares 25% cash	✗ 35% shares No cash
✓	✗	✗	✗	✓	✓ 15% shares 85% cash	✗ 15% shares No cash
				✗	✓ 15% shares 45% cash	✗ 15% shares No cash
✗	✗	✗	✗	✗		✗ No shares No cash

Note: the percentage allocations between cash and shares are based on the Maximum Bonus, with the share component being valued based on the value of Crown shares at the time of acquisition. Subsequent movements in the price of Crown shares may result in changes to the cash and share proportions.

### **What happens to dividends earned on Crown shares acquired under the 2014 Crown LTI**

All dividends received on shares held in trust are to be passed through to the Participant. As bonuses earned in the final year of the 2014 Crown LTI (including any Carried Over Plan Year Bonuses) are to be paid in cash, no dividends apply in respect of these bonuses.

### **What happens if an executive's employment with Crown ceases**

If a Participant's employment with Crown ceases, then the Participant is not entitled to any part of his or her 2014 Crown LTI bonus, except where the Participant's employment is terminated by Crown without cause, in which case the Participant will be entitled to any tranche (in the form of shares held on trust) which has vested prior to the date of termination.

### **How EPS Hurdles can be amended**

The 2014 Crown LTI provides that in the event that corporate control events or capital reconstruction events impact the achievement of EPS Hurdles, then the Crown Board has discretion to amend the EPS Hurdles in such a way that does not materially disadvantage Participants.

The Crown Board retains general power to amend the rules of the 2014 Crown LTI from time to time.

After the Plan Year ended 30 June 2015, the Crown Nomination and Remuneration Committee conducted a review of the 2014 Crown LTI and the EPS Hurdles, to consider whether the Board should exercise its discretion to adjust any EPS Hurdle or any feature of the Plan.

Whilst there was no change to the EPS Hurdles which will apply over the life of the Plan, the Nomination and Remuneration Committee recognised that since the adoption of the 2014 Crown LTI, there had been a number of events which affected the definition of Crown Profit, which were not contemplated when the 2014 Four Year Financial Plan was adopted.

Those events had both a positive impact on the determination of Crown Profit, in some cases, and a negative impact in other cases. They included the beneficial effect of the removal of super tax for Crown Melbourne as part of the modifications to the Crown Melbourne Casino Licence, changes in interest expense on account of various debt raising activities (including the issue of Crown Subordinated Notes II) and various additional corporate costs.

Accordingly, for the purposes of calculating "Crown Profit" and EPS, the Board determined that the effect of these unanticipated events should not have been taken into account during the financial year ended 30 June 2015 and thereafter.

The Crown Nomination and Remuneration Committee conducted a similar review of the 2014 Crown LTI and the EPS Hurdles, following 30 June 2016. Again, there was no change to the EPS Hurdles which will apply over the life of the Plan. However, in addition to the above matters, the Nomination and Remuneration Committee recognised that there had been a number of events which affected the determination of Crown Profit, which were not contemplated in the 2014 Four Year Financial Plan. Again some of those events had a positive impact on the determination of Crown Profit and others had a negative impact. Those events included new business acquisitions not contemplated in the 2014 Four Year Financial Plan such as CrownBet and DGN, potential development projects including One Queensbridge and the Alon Las Vegas project and foreign exchange movements and asset revaluations.

In light of these events and unforeseen costs, and in accordance with the conclusion of the Nomination and Remuneration Committee, appropriate adjustments were made to neutralise the effect of these events. As a result of those adjustments to the determination of Crown Profit, the EPS Hurdles were considered to be achieved in relation to the 2016 financial year.

Having conducted its review of the 2014 Crown LTI and the EPS Hurdles, following 30 June 2017, the Nomination and Remuneration Committee has concluded that the EPS Hurdles for the 2017 financial year have not been met. Accordingly, no part of the 2014 Crown LTI vested for financial year 2017. Crown has calculated the Carried Over Plan Year Bonus, being the Plan Year Bonus which would have been applied to the purchase of Participant Shares had the relevant EPS Hurdle been met, and that Carried Over Plan Year Bonus will be dealt with in the manner described earlier in this Report.

### **How the 2014 Crown LTI ameliorates issues with "cliff's edge" vesting**

The key features of the 2014 Crown LTI are that:

- the EPS Hurdles for Plan Years 1, 2 and 3 are set at 98% of the EPS Targets in the 2014 Four Year Financial Plan; and
- if at the end of financial year 2018, on a cumulative basis, the EPS Hurdles over all four years are met, then any Carried Over Plan Year Bonuses will vest and be paid to the relevant senior executive in cash.

Accordingly, when viewed as a whole, the Maximum Bonus under the 2014 Crown LTI consists of four separate and individually achievable targets, as well as a cumulative target. As a result, there are a range of potential outcomes depending on performance against target in each year of the 2014 Crown LTI as well as the cumulative result.

This feature is designed to ameliorate issues with “cliff’s edge” vesting, by giving participants a “second chance” to have a tranche paid when an individual EPS Hurdle is not met.

### Disclosure of historical EPS Targets

The disclosure of prospective EPS Targets would have the consequence of providing the market and Crown’s competitors with Crown’s financial forecasts. It has been Crown’s longstanding practice not to disclose prospective financial information and financial forecasts. Accordingly, Crown will not publicly disclose prospective EPS Targets.

Such concerns, however, are not as significant in relation to historical EPS Targets and EPS Hurdles and performance against those historical EPS Hurdles.

Set out below are the EPS Targets and EPS Hurdles which applied for financial year 2015, financial year 2016 and financial year 2017 together with Crown’s actual EPS for financial year 2015, financial year 2016 and financial year 2017.

	EPS Target (2014 Four Year Financial Plan)	EPS Target Growth (2014 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS	Actual EPS Growth (from previous year)	Tranche Vested?
FY15	51.5 cents	N/A	50.5 cents	53.0 cents	N/A	Yes
FY16	57.6 cents	11.8%	56.4 cents	57.1 cents	7.7%	Yes
FY17	60.9 cents	5.7%	59.7 cents	42.5 cents	(25.6%)	No

\* In financial year 2015, financial year 2016 and financial year 2017, the EPS Hurdle was 98% of the 2014 Four Year Financial Plan EPS Target.

All references in the above table to “EPS” exclude the contribution made by MRE and significant items and Crown’s actual EPS also excludes the impact of certain unanticipated events as described above.

### Details of Participation of Senior Executives in 2014 Crown LTI

Of the Senior Executives named in this Report, five participate in the 2014 Crown LTI. Details of potential 2014 Crown LTI bonuses are as follows:

Senior Executive	Maximum Value over four year period	30 June 2015 (15%)	30 June 2016 (20%)	30 June 2017 (25%)	30 June 2018 (40%)
	\$	\$	\$	\$	\$
John Alexander	4,500,000	675,000	900,000	1,125,000	1,800,000
Ken Barton	4,050,000	607,500	810,000	1,012,500	1,620,000
Rowen Craigie	9,000,000	1,350,000	1,800,000	2,250,000*	3,600,000*
Barry Felstead	6,300,000	945,000	1,260,000	1,575,000	2,520,000
Todd Nisbet	6,300,000	945,000	1,260,000	1,575,000	2,520,000

\* Mr Craigie ceased as Chief Executive Officer and Managing Director on 28 February 2017. As such, Mr Craigie has no entitlement to receive a bonus for Plan Years 3 and 4.

As noted in the tables above, in financial year 2017, Crown did not meet the relevant EPS Hurdle and accordingly, no entitlement to the EPS Bonus for financial year 2017 has vested, being 25% of the Maximum Value over the four year period.

Set out below are the vested bonus amounts for the above participants in respect of financial year 2015, financial year 2016 and financial year 2017:

	Vested in relation to the financial year ended 30 June 2015	Vested in relation to the financial year ended 30 June 2016	Vested in relation to the financial year ended 30 June 2017
Senior Executive	\$	\$	\$
John Alexander	675,000	900,000	Nil
Ken Barton	607,500	810,000	Nil
Rowen Craigie*	1,350,000	1,800,000	Nil
Barry Felstead	945,000	1,260,000	Nil
Todd Nisbet	945,000	1,260,000	Nil

\* Mr Craigie ceased as Chief Executive Officer and Managing Director on 28 February 2017.

As noted above, in accordance with the rules of the 2014 Crown LTI, Crown has calculated the Carried Over Plan Year Bonus in respect of the period ended 30 June 2017 and that Carried Over Plan Year Bonus will be dealt with in the manner described earlier in this Report.

## 2017 Senior Executive Incentive Plan

### *Rationale for the Introduction of the Plan*

As part of the Crown group restructure described earlier in this Report, the Board determined that a new incentive plan should be adopted to incentivise selected Senior Executives to remain with the Crown group to assist it to achieve the group's strategic plans over the life of the 2017 Four Year Financial Plan.

The Board considered that the Senior Executives remaining following the restructure should be given the opportunity to benefit from the increase in the value of Crown shares over the following four years. The Plan is designed to motivate participants to deliver improved performance of Crown which is expected to lead to an increase in the value of Crown's shares over and above the price at the time the Options were issued.

The 2017 Incentive Plan seeks to assist in the reward, retention and motivation of relevant Senior Executives, to link the reward to shareholder value creation and to align the interests of relevant Senior Executives with shareholders.

In February 2017, the Board therefore agreed to offer Options to Mr Alexander and his direct reports Mr Barton, Mr Felstead and Mr Nisbet under the 2017 Incentive Plan.

### *Outline of the Plan and the Offer*

The 2017 Incentive Plan accommodates the offer and issue of 'Awards' which may be in the form of Options, Performance Rights or Share Appreciation Rights. All Awards may, under the Plan, be settled with Crown shares or cash settled.

The Awards that have been granted to the relevant Senior Executives are Options which have a four year term from their agreed date of issue. The Options were agreed to be issued on 22 February 2017. The Options are not quoted on ASX or on any other financial market.

For all participants, other than a Director of Crown, at Crown's election, the Options can be settled by the issue of new Crown shares, the transfer of shares acquired by Crown from the market or by paying a cash equivalent to the difference between the exercise price of the Options and the market price of the shares at the time of exercise. For John Alexander, a director of Crown, any Crown shares to be acquired on the vesting and exercise of the Options must be purchased on-market and cannot be settled by the issue of new Crown shares.

In addition to the cash or physical settlement of Awards, Awards may be bought back by the agreement of Crown and the participant or, at the instigation of Crown, at market value.

The Options that have been issued are styled as 'European' Options, meaning that they are only exercisable on a single day being Monday, 22 February 2021 starting at midnight and ending at 11.59pm Melbourne time on that day (the Expiry Date).

**Option Exercise Price**

An initial exercise price of \$11.43 per Option has been determined by reference to the volume weighted average price (VWAP) of Crown shares at the time the Crown Board approved the offer of Options at its February 2017 meeting.

The exercise price of each Option of \$11.43 may be varied over the life of the Plan to take into account the value of any capital returns and special dividends.

**Options are Issued for Value – Senior Executives Pay for Options**

The 2017 Incentive Plan differs from many similar option-based incentive plans in that it requires participants to pay value for their Options. The Options are not free.

Participants in the 2017 Incentive Plan were invited to acquire Options for a fee equal to the market value of those Options.

The market value has been based on the option valuation methodology determined under the *Income Tax Assessment Regulations 1997* (Cth) (Regulations).

Under the Regulations, having regard to the market price of a Crown share at grant and the exercise price of the Option, a four year Option is valued at 6.2% of the market value of the underlying share.

Options were therefore issued to participants for a fee equal to the market value at the date they were agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee) (i.e. 6.2% of the initial exercise price of \$11.43).

On the day the Options were issued, the value to the participants was therefore nil. The value of the incentives to the participants will arise only where Crown’s share price exceeds the exercise price of the Options plus the Fee, the vesting condition is met and the Options are exercisable.

**Consideration for the Payment of Options – Acquisition Loan**

Each participant paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the Acquisition Loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Option; or
- in the case of lapse, cancellation or forfeiture, nil.

**Single Vesting Condition of Continued Employment**

The Options are subject to a single Vesting Condition being the continued employment of the relevant Senior Executive for four years after the grant date, or the classification of the Senior Executive as a good leaver at the Expiry Date.

As noted, the Board considered that the Senior Executives remaining following the restructure should be given the opportunity to benefit from the increase in the value of Crown shares over the following four years and seeks to reward and retain those Senior Executives who have primary responsibility for delivering Crown’s key strategic priorities over the coming years.

Continued employment together with an improvement in the value of Crown shares will therefore result in a benefit to participants. Continued employment without improvement in value of Crown shares above the Fee paid for the Options will not deliver any benefit to participants.

**Voting Rights and Rights to Dividends**

No ordinary dividend or voting rights will attach to the Options unless and until Crown shares are delivered on exercise.

Any special dividends (but not ordinary dividends), capital restructure or other corporate events will be reflected as adjustments to the exercise price of the Options.

**Option Participants**

Options have been granted to the following Senior Executives:

Senior Executive	Number of Options
John Alexander	5,000,000
Ken Barton	3,000,000
Barry Felstead	3,000,000
Todd Nisbet	3,000,000

**Accounting Valuation of Options and Reporting**

The Options constitute remuneration for the purposes of this Report.

For the purposes of reporting, a determination of the “fair value” (for accounting purposes) of each Option was undertaken.

As there is a limited recourse Acquisition Loan associated with the Options with an obligation to repay Crown (in the event the Options are exercised) of \$0.71 per Option, from an accounting perspective, the Acquisition Loan has been treated as an addition to the exercise price of the Option and the Option has been re-valued accordingly, without having further regard to the amount outstanding under the Acquisition Loan.

Based on this approach, from an accounting perspective, the Options have been valued using an exercise price of \$12.14 and assumes that there is no Acquisition Loan.

The fair value of the Options has therefore been determined to be \$0.53 per Option (being approximately 4.6% of the exercise price of the Options).

The outcome of this valuation approach (using the Black Scholes valuation model) and the accounting implications are shown below:

Number of Options		14,000,000
Exercise Price*	\$	11.43
Total Face value	\$	160,020,000
Valuation %*		4.6%
Valuation \$	\$	7,360,920
Value per Option	\$	0.53
<b>Annual impact on Crown reported results (over four years)</b>	<b>\$</b>	<b>1,840,230</b>

\* While the contracted exercise price of each Option is \$11.43, from an accounting perspective, the valuation of each Option is determined assuming an exercise price of \$12.14. For the purposes of the Black Scholes Valuation model, a volatility measure of 18% has been used representing the historical volatility of Crown shares excluding the material impact of the Melco Resorts & Entertainment Limited investment.

Based on the above, the annual value of the 2017 Incentive Plan which has been attributed to each Senior Executive participant is as follows:

	Number of Options	Accounting Value per Option	Annual Impact \$	FY17 Impact (5 months) \$
John Alexander	5,000,000	53 cents	657,225	275,000
Ken Barton	3,000,000	53 cents	394,335	165,000
Barry Felstead	3,000,000	53 cents	394,335	165,000
Todd Nisbet	3,000,000	53 cents	394,335	165,000
<b>Total</b>	<b>14,000,000</b>		<b>1,840,230</b>	<b>770,000</b>

Disclosures in line with the above have been included in the Senior Executive Remuneration Table set out later in this Report.

## Relationship between remuneration policy and company performance

### Remuneration linked to performance

As detailed above in the sections on Fixed Remuneration and Performance Based Remuneration, various elements of Crown's remuneration policy are linked to company performance, in particular, the achievement of Crown's Board approved Annual Budget and Business Plan (in the case of STI), Crown's Board approved Four Year Financial Plan (in the case of the 2014 Crown LTI) and an increase in the value of Crown shares (in the case of the 2017 Incentive Plan).

The Crown Board has sought to achieve this link by requiring the achievement of an annual level of normalised EBITDA and net profit after tax (in the case of STI), predetermined EPS Targets (in the case of the 2014 Crown LTI) or an increase in the value of Crown shares over the following four years (in the case of the 2017 Incentive Plan).

Full details of how these links have been achieved are set out in the above sections of this Report, but, in summary:

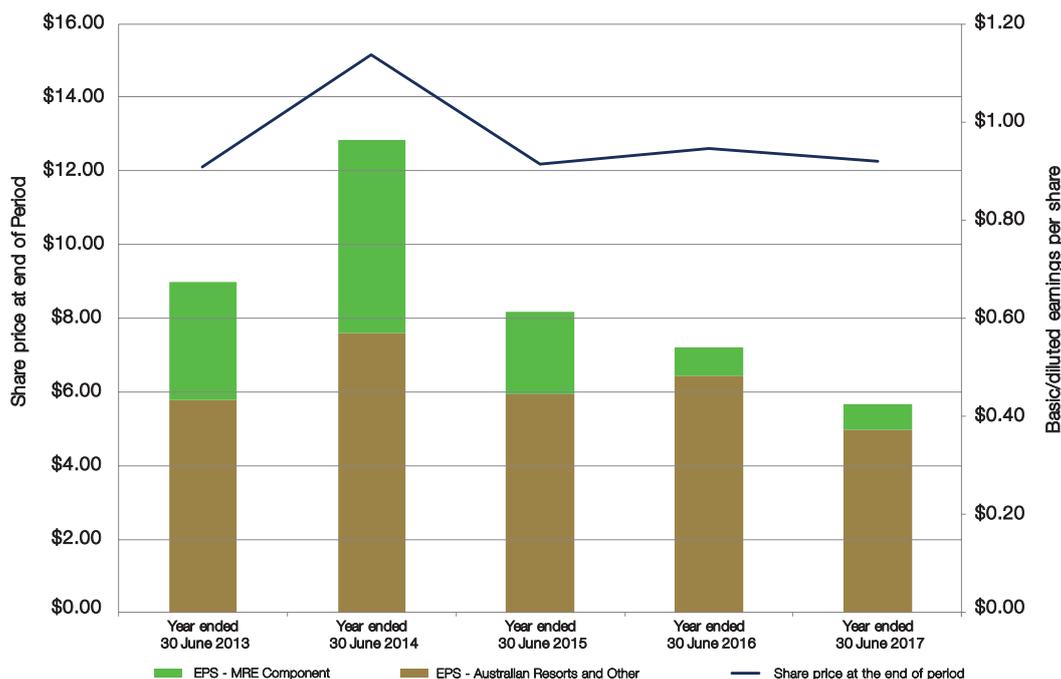
- an STI may be payable if Crown achieves its budgeted financial objectives and where an individual achieves his or her annual KPOs, assessed using a combination of financial and non-financial measures;
- the 2014 Crown LTI is linked to predetermined EPS Hurdles in financial year 2015, financial year 2016, financial year 2017 and financial year 2018; and
- an increase in the value of Crown shares over the following four years may result in a benefit to Senior Executives who have participated in the 2017 Incentive Plan.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, fell by 10.7%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period from 1 July 2012 to 30 June 2017 was 2.5%. Normalised Crown group NPAT fell by 15.5% in financial year 2017 predominantly due to the reduction in VIP program play revenue in Australia. The compound average normalised NPAT growth for the Crown group for the five year period from 1 July 2012 to 30 June 2017 was negative 3.7%.

The table and graph below set out information about movements in shareholder wealth for the years ended 30 June 2013 to 30 June 2017.

	Year Ended 30 June 2013	Year Ended 30 June 2014	Year Ended 30 June 2015	Year Ended 30 June 2016	Year Ended 30 June 2017
Share price at start of period	\$8.49	\$12.11	\$15.12	\$12.20	\$12.61
Share price at end of period	\$12.11	\$15.12	\$12.20	\$12.61	\$12.28
Full year dividend	37.0 cents <sup>1</sup>	37.0 cents <sup>1</sup>	37.0 cents <sup>2</sup>	72.5 cents <sup>3</sup>	143.0 cents <sup>4</sup>
Basic/diluted earnings per share <sup>5</sup>	67.40 cps	96.44 cps	61.28 cps	54.04 cps	42.55 cps

- 1 Franked to 50% with none of the unfranked component comprising conduit foreign income.
- 2 Franked to 50% with all of the unfranked component of the final dividend comprising conduit foreign income.
- 3 Interim dividend franked to 50% and final dividend franked to 70% with all of the unfranked components comprising conduit foreign income.
- 4 Franked to 60% with none of the unfranked component comprising conduit foreign income. This amount includes a special dividend paid to shareholders in March 2017 of 83 cents per share.
- 5 Excluding the effect of significant items.



**Policy on entering into transactions in associated products which limit economic risk**

The rules of the 2014 Crown LTI specifically provide that a Participant must not grant or enter into any Security Interest in or over any Crown shares that may be acquired under the Plan (Participant Shares) or otherwise deal with any Participant Shares or interest in them until the relevant Participant Shares are transferred from the Trustee to the participant in accordance with the Plan rules. A Security Interest is defined to extend to any mortgage, charge, pledge or lien or other encumbrance of any nature, and includes any derivative relating to or involving a Participant Share. Any Security Interest, disposal or dealing made by a participant in contravention of the Plan rules will not be recognised by Crown.

The rules of the 2017 Incentive Plan specifically provide that a participant must not transfer, encumber, dispose of or have a Security Interest issued over Plan Shares, or any beneficial interest in Plan Shares, unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met or waived by the Board or the Board has provided prior written consent. A Security Interest is defined to include a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

In addition, Crown's Securities Trading Policy provides that restricted persons who hold Crown shares (defined as Crown shares or other securities which may be issued from time to time by Crown) under an incentive plan offered by Crown from time to time, must not, without the prior consent in writing of Crown, sell, create a security interest in, or otherwise dispose or deal with their Crown shares or any of their interests in any of those Crown shares.

The rules of the 2017 Incentive Plan also require participants to comply with Crown's Securities Trading Policy at all times.

## Remuneration Details for Non-executive Directors

### Non-executive Directors

Non-executive Directors are entitled to a base fee per annum for acting as a Director of Crown.

Non-executive Directors acting on the Board of Crown Melbourne Limited are entitled to receive a further fee in respect of that service. Crown's nominee on the CrownBet Board is also entitled to an annual fee in respect of that service.

Non-executive Directors of Crown are entitled to additional fees if they act as either chair or a member of an active Committee (the Audit and Corporate Governance Committee, the Occupational Health and Safety Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee or the Risk Management Committee).

All Directors are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Non-executive Directors fees which applied at the commencement of the 2017 financial year were as follows:

Base Board Fees:	\$100,000
Active Board Committees:	
- Chair	\$20,000
- Member	\$10,000
Crown Melbourne Board:	\$60,000
CrownBet Board:	\$75,000

A review of Non-executive Directors' fees was conducted following the 2016 financial year end by the Nomination and Remuneration Committee.

The focus of the review was twofold:

- firstly to consider whether the existing Non-executive Director fees remain appropriate, in light of the fact that there had been no increase in Non-executive Directors' fees since the Publishing and Broadcasting Limited demerger in 2007; and

- to determine whether the existing aggregate Non-executive Directors' fee cap of \$1,300,000 could accommodate a potential increase in Non-executive Director fees or the appointment of additional Non-executive Directors.

Egan Associates, an expert remuneration consultant, was engaged by the Committee to assist by providing factual information and analysis. Egan Associates provided a report to the Nomination and Remuneration Committee regarding the level of fees paid to Non-executive Directors in other Top 100 Listed Companies so that the Nomination and Remuneration Committee could assess whether to increase Non-executive Director fees and assess whether there might be a need to increase the fee cap in the Crown Constitution. No recommendation was made by or sought from Egan Associates. The advice contained only facts and an analysis of those facts.

With the benefit of the advice from the remuneration consultant, the Nomination and Remuneration Committee recommended to the Board that Non-executive Directors' fees which should apply commencing 1 November 2016 be as follows, subject to shareholders approving the increase in the remuneration pool cap (further discussed below):

Base Board Fees:	\$150,000
Active Board Committees:	
- Chair	\$25,000
- Member	\$15,000
Crown Melbourne Board:	\$60,000 (no change)
CrownBet Board:	\$75,000 (no change)

In light of the above recommendation and to allow for scope for possible future fee increases as well as the possible appointment of another Non-executive Director, the Nomination and Remuneration Committee also recommended to the Board that the Non-executive Directors' fee cap be increased from \$1,300,000 per annum to \$2,500,000 per annum (that is, an increase of \$1,200,000 per annum).

Under Crown's Constitution, an increase in the fee cap requires the approval of shareholders by an ordinary resolution. The Crown Board adopted the recommendation of the Nomination and Remuneration Committee to increase the Non-executive Directors' fee cap to \$2,500,000 per annum by seeking shareholder approval at the 2016 Annual General Meeting. At the 2016 Annual General Meeting, shareholders approved the increase in fee cap and accordingly, the increase in Non-executive Directors' fees set out above applied from 1 November 2016.

Set out below is a table showing Non-executive Director remuneration for financial years 2017 and 2016.

#### Remuneration table – Non-executive Directors

	Financial Year	Short Term Benefits			Post-employment Benefit – Superannuation	Long Term Incentives		Termination Benefits	Total
		Salary & Fees	Non Monetary	Other		Cash Based	Equity Based		
<b>Ben Brazil</b> <sup>1</sup>	2017	118,750	-	-	11,281	-	-	-	130,031
Non-executive Director	2016	120,000	-	-	11,400	-	-	-	131,400
<b>Helen Coonan</b> <sup>2</sup>	2017	161,041	-	-	15,299	-	-	-	176,340
Non-executive Director	2016	120,000	-	-	11,400	-	-	-	131,400
<b>Rowena Danziger</b> <sup>3</sup>	2017	256,666	-	-	19,616	-	-	-	276,282
Non-executive Director	2016	210,000	-	-	19,308	-	-	-	229,308
<b>Andrew Demetriou</b> <sup>4</sup>	2017	208,333	-	-	19,616	-	-	-	227,949
Non-executive Director	2016	175,000	-	-	16,625	-	-	-	191,625
<b>Geoffrey Dixon</b>	2017	180,000	-	-	17,100	-	-	-	197,100
Non-executive Director	2016	140,000	-	-	13,300	-	-	-	153,300
<b>John Horvath</b> <sup>3</sup>	2017	256,666	-	-	19,616	-	-	-	276,282
Non-executive Director	2016	210,000	-	-	19,308	-	-	-	229,308
<b>Michael Johnston</b> <sup>5</sup>	2017	-	-	-	-	-	-	-	-
Non-executive Director	2016	-	-	-	-	-	-	-	-
<b>Harold Mitchell</b>	2017	160,000	-	-	15,200	-	-	-	175,200
Non-executive Director	2016	120,000	-	-	11,400	-	-	-	131,400
<b>Robert Rankin</b> <sup>5,6</sup>	2017	-	-	-	-	-	-	-	-
Non-executive Director	2016	-	-	-	-	-	-	-	-
<b>2017 TOTALS</b>		<b>1,341,456</b>	<b>-</b>	<b>-</b>	<b>117,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,459,184</b>
<b>2016 TOTALS</b>		<b>1,095,000</b>	<b>-</b>	<b>-</b>	<b>102,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,197,741</b>

1. Mr Brazil ceased as a director on 12 April 2017.

2. Ms Coonan was appointed Chair of the Audit and Corporate Governance Committee on 27 April 2017.

3. Mrs Danziger and Professor Horvath each received Directors' fees at a rate of \$60,000 per annum for their participation on the Crown Melbourne Limited Board.

4. Mr Demetriou received Directors' fees at a rate of \$75,000 per annum for his participation on the CrownBet Pty Ltd and CrownBet Holdings Pty Ltd Boards.

5. Mr Johnston and Mr Rankin did not receive remuneration from Crown for their services to Crown.

6. Mr Rankin ceased as a director on 21 June 2017.

## Remuneration details for Senior Executives

Senior Executives are employed under service agreements with Crown or a subsidiary of Crown. Common features to these service agreements include (unless noted otherwise):

- an annual review of the Senior Executive's fixed remuneration, with any increases requiring approval of the Executive Chairman (except in relation to the Executive Chairman) and the Nomination and Remuneration Committee and dependent on Crown's financial performance, the individual's KPO performance and market changes;
- competitive performance based incentive payments annually and in the long term, dependent upon Crown achieving its objectives and the Senior Executive achieving his or her KPOs;
- a provision that Crown may ask the Senior Executive to act as a Director of a member or associate of the Crown group for no additional remuneration;
- a prohibition from gambling at any property within the Crown group during the term of employment and for six months following termination and a requirement that the Senior Executive maintains licences required and issued by relevant regulatory authorities (such as the Victorian Commission for Gambling and Liquor Regulation and the Western Australian Gaming and Wagering Commission);
- where post-employment restraints apply, a restraint covering, amongst other things, competitive activities to those of the Crown group. Restraint periods vary and have been noted in each instance;
- where an employment agreement is terminated by Crown, a provision that notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- a provision that all contracts may be terminated without notice by Crown for serious misconduct; and
- all Senior Executives are entitled to complimentary privileges at Crown Melbourne and Crown Perth facilities.

Specific details of each Senior Executive's contract of employment which applied at the end of the 2017 financial year are summarised in the tables on the following pages.

### Employment Arrangements for Mr Rowen Craigie

On 23 February 2017, Crown announced that after more than 20 years with the Crown group, its Chief Executive Officer and Managing Director, Rowen Craigie would be stepping down from his role with effect from 28 February 2017.

Mr Craigie has received, and will receive subject to shareholder approval at the 2017 Annual General Meeting, entitlements payable in accordance with the terms of his employment contract and the 2014 Crown LTI Rules. A summary of the key elements of Mr Craigie's employment contract have been disclosed to shareholders since 2007 and have been included in each of Crown's Annual Reports since 2008. The key elements of Mr Craigie's employment contract which applied until 28 February 2017 are as follows:

<b>Fixed Remuneration</b>	
Base salary:	\$3,116,734 per annum.
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,616 per annum.
<b>Post-employment benefits</b>	Nil
<b>Post-employment restraint</b>	Crown may impose a restraint for various periods up to 12 months.
<b>Termination</b>	
By Senior Executive:	12 months' notice.
By Crown:	12 months' notice without cause (Notice Pay).
<b>Termination benefits*</b>	Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 12 months' fixed remuneration in the event of early termination of his employment by Crown (Severance Pay).
	The imposition of Mr Craigie's post-employment restraint is tied to, and is conditional upon, receipt of his Severance Pay.

\* Note: As announced to the ASX on 19 February 2015, and as subsequently disclosed in Crown's 2016 Annual Report, Mr Craigie's employment contract was last varied in February 2015 to **reduce** the severance payment payable to Mr Craigie should Crown terminate Mr Craigie's employment from 24 months' base salary to 12 months' base salary. Mr Craigie's post-employment restraint was also reduced at that time from 24 months to 12 months.

Mr Craigie also participated in the 2014 Crown LTI. The Rules of the 2014 Crown LTI provide that where a Participant leaves the employment of the Group and their employment is terminated “without cause” prior to the end of Plan Year 4 (i.e. 30 June 2018), any Participant Shares held on trust for the Participant will remain in trust until the end of Plan Year 4. In accordance with the 2014 Crown LTI Rules, the Board has determined that, subject to the receipt of shareholder approval, the 254,821 Participant Shares held on trust for Mr Craigie be released to Mr Craigie prior to the end of Plan Year 4. The 2014 Crown LTI Rules also provide that where a Participant leaves the employment of the Group, that Participant’s rights to any Carried Over Plan Year Bonus will cease. As Mr Craigie’s employment with Crown ceased part way through Plan Year 3, Mr Craigie has no entitlement to receive a bonus for Plan Years 3 and 4 but is entitled to receive the first two vested tranches of his bonus for Plan Years 1 and 2 comprising 254,821 Participant Shares. This represents 35% (less than half) of the maximum bonus granted to Mr Craigie under the 2014 Crown LTI despite the earnings per share hurdles for the 2014 Crown LTI having been met for two of the four years (i.e. half of the life of the plan). Shareholder approval will be sought at Crown’s 2017 Annual General Meeting in relation to the benefit constituted by the early release of the 254,821 Participant Shares to Mr Craigie. As Mr Craigie is entitled, under the 2014 Crown LTI, to any dividends payable in relation to the 254,821 Participant Shares, the value of the early release of the 254,821 Participant Shares is the ability to trade these shares prior to the end of Plan Year 4, which is not able to be quantified.

In addition, there will be no STI paid to Mr Craigie in relation to his employment for the financial year ended 30 June 2017.

Crown has agreed with Mr Craigie that, subject to and conditional upon the approval of the shareholders of Crown by resolution passed under sections 200B and 200E of the Corporations Act 2001 (Cth) at the 2017 Annual General Meeting:

- Crown will procure the early release of the Participant Shares presently held on trust for Mr Craigie under the 2014 Crown LTI; and
- pay the Notice Pay and the Severance Pay to Mr Craigie,

within 10 Business Days after the date of shareholder approval.

Importantly, under Mr Craigie’s employment contract, Mr Craigie’s post-employment restraint is tied to, and is conditional upon, the receipt of his Severance Pay. Accordingly, should the approval of shareholders not be obtained at the 2017 Annual General Meeting, Mr Craigie’s restraint will also cease at that time. Mr Craigie has agreed to consult to Crown, as required, on specific projects of the Company.

The Explanatory Statement to the 2017 Notice of Annual General Meeting provides further information regarding the proposed approvals in respect of the termination benefits payable to Mr Craigie in accordance with the terms of his employment contract and the 2014 Crown LTI Rules.

### Changes to Employment Arrangements made during the 2017 Financial Year

As Executive Chairman, Mr Alexander now has primary accountability for the management of Crown and as noted, assumed the responsibilities of the previous Chief Executive Officer. Mr Alexander's role therefore effectively replaced three existing positions, being Chairman, Executive Deputy Chairman and the Chief Executive Officer.

On account of these increased responsibilities, the employment arrangements for Mr Alexander were varied and a new Contract of Employment was entered into.

A summary of the material changes to Mr Alexander's Contract of Employment which took effect from 1 February 2017 is as follows:

	Previous Contract of Employment	Current Contract of Employment
<b>Term</b>	Commenced 1 December 2007 with no fixed term.	Commenced 1 February 2017 with no fixed term.
<b>Fixed Remuneration</b>	\$1,500,000 per annum (inclusive of Compulsory Superannuation Guarantee Contributions).	\$3,500,000 per annum (inclusive of Compulsory Superannuation Guarantee Contributions).
<b>Performance based remuneration</b>		
STI:	Nil	Potential to earn a short term incentive of up to \$500,000 based on performance and at the sole discretion of the Board.
LTI:	Participation in the 2014 Crown LTI.	Continued participation in the 2014 Crown LTI and participation in the 2017 Incentive Plan.

In determining the fixed remuneration component, the Board took into consideration the global gaming and resort hotel environment and remuneration arrangements of leaders in the industry. While there is variability in the market, in the context of the Board's expectations, and the near term criticality of the role, the Board considered the arrangements with Mr Alexander to be commercially appropriate.

All other material terms of Mr Alexander's employment contract remained unchanged.

## Summary of Contracts of Employment Applicable at 30 June 2017

<b>John H Alexander</b>				
<b>Current Position</b>	Executive Chairman (commenced 1 February 2017) (previously Executive Deputy Chairman): Mr Alexander's current employment agreement with Crown Resorts Limited has no fixed term.			
<b>Fixed Remuneration</b>				
Base salary:	\$3,480,384 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,616 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.			
<b>Performance based remuneration</b>				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Alexander may receive an STI payment of up to \$500,000.			
LTI:	Mr Alexander participates in the 2014 Crown LTI and the 2017 Incentive Plan. Refer to pages 52 to 59.			
<b>2017 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>	<b>2017 Incentive Plan</b>
	113%	6%	(31)%	12%
<p>Given that the Year 3 EPS Hurdle adopted under the 2014 Crown LTI was not achieved, Crown has amended its provisioning in relation to the 2014 Crown LTI accordingly.</p> <p>This has resulted in a reversal of amounts previously expensed and, as a result of this, each Senior Executive who participated in the 2014 Crown LTI must be shown to have a negative amount for the 2014 Crown LTI component of their F17 remuneration.</p> <p>Crown recognises that while it is required to include the reversal in the remuneration disclosures, the percentage breakdown in the form provided above is not a meaningful reflection of the 2017 percentage breakdown of remuneration.</p> <p>To assist shareholders, set out below is a percentage breakdown of remuneration which excludes the effect of the reversal of amounts previously expensed under the 2014 Crown LTI:</p>				
	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2017 Incentive Plan</b>	
	86%	4%	10%	
<b>Post-employment benefits</b>	Nil			
<b>Post-employment restraint</b>	Crown may impose a restraint for various periods up to 12 months.			
<b>Termination</b>				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; without notice for breach or misconduct.			
<b>Termination benefits</b>	Nil			
<b>Payments made prior to commencement</b>	Nil			
<b>Directors' Fees</b>	Nil			

## Kenneth M Barton

<b>Current Position</b>	Chief Financial Officer (commenced 9 March 2010) and CEO Crown Digital (from 1 February 2017): Mr Barton's employment agreement with Crown Resorts Limited will expire on 30 September 2018.			
<b>Fixed Remuneration</b>				
Base salary:	\$1,787,084 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,616 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Until Mr Barton relocates to Melbourne, Crown will meet the weekly travel costs of his Melbourne/Sydney commuting and will provide hotel accommodation while in Melbourne.			
<b>Performance based remuneration</b>				
STI:	Mr Barton's annual target STI is \$500,000 and payment depends on meeting agreed personal KPOs. The STI may, at the discretion of the Nomination and Remuneration Committee, be increased to a maximum of \$750,000 if Mr Barton exceeds his KPOs and Crown also achieves its performance objectives.			
LTI:	Mr Barton participates in the 2014 Crown LTI and the 2017 Incentive Plan. Refer to pages 52 to 59.			
<b>2017 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>	<b>2017 Incentive Plan</b>
	107%	19%	(35)%	9%
<p>Given that the Year 3 EPS Hurdle adopted under the 2014 Crown LTI was not achieved, Crown has amended its provisioning in relation to the 2014 Crown LTI accordingly.</p> <p>This has resulted in a reversal of amounts previously expensed and, as a result of this, each Senior Executive who participated in the 2014 Crown LTI must be shown to have a negative amount for the 2014 Crown LTI component of their F17 remuneration.</p> <p>Crown recognises that while it is required to include the reversal in the remuneration disclosures, the percentage breakdown in the form provided above is not a meaningful reflection of the 2017 percentage breakdown of remuneration.</p> <p>To assist shareholders, set out below is a percentage breakdown of remuneration which excludes the effect of the reversal of amounts previously expensed under the 2014 Crown LTI:</p>				
	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2017 Incentive Plan</b>	
	79%	14%	7%	
<b>Post-employment benefits</b>	Nil			
<b>Post-employment restraint</b>	Nil			
<b>Termination</b>				
By Senior Executive:	6 months' notice.			
By Crown:	6 months' notice without cause; one month's notice for performance issues (following at least 3 months' notice to improve); 3 months' notice for incapacity.			
<b>Termination benefits</b>	Nil			
<b>Payments made prior to commencement</b>	As previously disclosed, a sign on payment was made in 2010 to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.			
<b>Directors' Fees</b>	Nil			

<b>Barry J Felstead</b>				
<b>Current Position</b>	Chief Executive Officer – Australian Resorts (from 1 August 2013): Mr Felstead’s current employment agreement with Crown Resorts Limited has no fixed term.			
<b>Fixed Remuneration</b>				
Base salary:	\$2,238,759 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,616 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. Mr Felstead is entitled to a travel allowance of \$50,000 per annum.			
<b>Performance based remuneration</b>				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Felstead’s annual target STI is 40% of his TEC.			
LTI:	Mr Felstead participates in the 2014 Crown LTI and the 2017 Incentive Plan. Refer to pages 52 to 59.			
<b>2017 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>	<b>2017 Incentive Plan</b>
	127%	14%	(50)%	9%
	<p>Given that the Year 3 EPS Hurdle adopted under the 2014 Crown LTI was not achieved, Crown has amended its provisioning in relation to the 2014 Crown LTI accordingly.</p> <p>This has resulted in a reversal of amounts previously expensed and, as a result of this, each Senior Executive who participated in the 2014 Crown LTI must be shown to have a negative amount for the 2014 Crown LTI component of their F17 remuneration.</p> <p>Crown recognises that while it is required to include the reversal in the remuneration disclosures, the percentage breakdown in the form provided above is not a meaningful reflection of the 2017 percentage breakdown of remuneration.</p> <p>To assist shareholders, set out below is a percentage breakdown of remuneration which excludes the effect of the reversal of amounts previously expensed under the 2014 Crown LTI:</p>			
	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2017 Incentive Plan</b>	
	84%	10%	6%	
<b>Post-employment benefits</b>	Nil			
<b>Post-employment restraint</b>	Crown may impose various restraint periods up to a period of 12 months post-employment.			
<b>Termination</b>				
By Senior Executive:	12 months’ notice.			
By Crown:	12 months’ notice without cause; one month’s notice for performance issues; three months’ notice due to incapacity.			
<b>Termination benefits</b>	Nil			
<b>Payments made prior to commencement</b>	Nil			
<b>Directors’ Fees</b>	Nil			

**W Todd Nisbet**

<b>Current Position</b>	Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet's fixed term employment agreement with Crown Resorts Limited expired on 31 December 2015 and is continuing on the same terms and conditions except as to term, which is now no longer fixed.			
<b>Fixed Remuneration</b>				
Base salary:	\$2,238,759 per annum.			
Superannuation:	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,616 per annum.			
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation. During Mr Nisbet's employment with Crown, he is also entitled to additional customary expatriate benefits for himself and his family. Upon cessation of employment, Mr Nisbet will be entitled to relocation benefits for him and his family to Las Vegas.			
<b>Performance based remuneration</b>				
STI:	Discretionary STI based on the performance of Crown and the achievement of personal KPOs. Mr Nisbet's annual target STI is 50% of his base salary.			
LTI:	Mr Nisbet participates in the 2014 Crown LTI and the 2017 Incentive Plan. Refer to pages 52 to 59.			
<b>2017 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>	<b>2017 Incentive Plan</b>
	118%	14%	(39)%	7%
	Given that the Year 3 EPS Hurdle adopted under the 2014 Crown LTI was not achieved, Crown has amended its provisioning in relation to the 2014 Crown LTI accordingly.			
	This has resulted in a reversal of amounts previously expensed and, as a result of this, each Senior Executive who participated in the 2014 Crown LTI must be shown to have a negative amount for the 2014 Crown LTI component of their F17 remuneration.			
	Crown recognises that while it is required to include the reversal in the remuneration disclosures, the percentage breakdown in the form provided above is not a meaningful reflection of the 2017 percentage breakdown of remuneration.			
	To assist shareholders, set out below is a percentage breakdown of remuneration which excludes the effect of the reversal of amounts previously expensed under the 2014 Crown LTI:			
	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2017 Incentive Plan</b>	
	85%	10%	5%	
<b>Post-employment benefits</b>	Nil			
<b>Post-employment restraint</b>	Crown may impose various restraint periods up to a period of 12 months post-employment.			
<b>Termination</b>				
By Senior Executive:	12 months' notice.			
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.			
<b>Termination benefits</b>	Nil			
<b>Payments made prior to commencement</b>	Nil			
<b>Directors' Fees</b>	Nil			

## Remuneration table for Senior Executives

### *Commentary*

The structure of Senior Executive remuneration has been described in detail in this Report, both generically and specifically in relation to each named Senior Executive. In addition, a table summarising all remuneration to be attributed to each Senior Executive for the financial years ended 30 June 2017 and 30 June 2016 is set out below.

Accounting Standards are prescriptive in relation to the required presentation of remuneration tables. Accordingly, as an aid to understanding, the following additional information should be read in conjunction with the table set out below.

In addition, a separate table has been provided which details the remuneration that was received, or vested by each Senior Executive during the year.

### *Fixed Remuneration*

During the year, Mr Alexander's fixed remuneration increased from \$1.5 million to \$3.5 million per annum as disclosed on page 65 of this Report.

During the 2017 Financial Year, Messrs Barton, Craigie, Felstead and Nisbet received an increase to their fixed remuneration of 1.5%.

### *Short Term Incentives (STI)*

In the 2017 financial year, the Group's financial performance objectives were not met. Although the 2017 targets were not met, some important financial and non-financial outcomes were achieved. These included the successful exit of the Group's shareholding in Melco Resorts & Entertainment Limited, capital management initiatives, debt restructuring, substantial operational improvement and cost saving initiatives in light of the downturn in revenues and progress on major projects including the completion of Crown Towers Perth and obtaining all necessary approvals for the Crown Sydney and Queensbridge projects.

STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally paid at 30% of target STI bonuses. However, individual STI bonuses were adjusted to reflect the extent to which non-financial objectives were achieved. Accordingly, Mr Alexander received \$125,000 representing 25% of his total target STI bonus, although Mr Alexander was only entitled to receive an STI bonus from the time he commenced as Executive Chairman. Mr Nisbet received \$335,000 representing 30% of his target STI bonus, Mr Barton received \$335,000 representing 67% of his target STI bonus and Mr Felstead received \$270,000 representing 30% of his target STI bonus.

### *Long Term Incentives (LTI)*

As summarised earlier, each Senior Executive participated in the 2014 Crown LTI.

In accordance with relevant accounting standards, the 2014 Crown LTI is included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this Report that the performance condition and service condition will eventuate over the life of the 2014 Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate.

As explained earlier, the first, second and third tranches of the 2014 Crown LTI represent 15%, 20% and 25% (respectively) of the total 2014 Crown LTI bonus for which each Senior Executive is eligible. The EPS Hurdles of the 2014 Crown LTI for financial years 2015 and 2016 were met. Details of the actual sums vested to relevant Senior Executives have been provided earlier, however, these have also been shown in the separate Remuneration Received / Vested table below.

As noted earlier, the Year 3 EPS Hurdle adopted under the 2014 Crown LTI was not achieved. Crown has therefore amended its provisioning in relation to the 2014 Crown LTI accordingly, resulting in a reversal of amounts previously expensed.

As summarised earlier, four Senior Executives participated in the 2017 Incentive Plan.

In accordance with relevant accounting standards, the 2017 Incentive Plan is included in the remuneration for each Senior Executive to the extent that it is considered more likely than not at the date of this Report that the performance condition and service condition will eventuate over the life of the 2017 Incentive Plan.

An amount has been attributed to each participant in the 2017 Incentive Plan based on the methodology noted earlier in this Report.

## Remuneration Table – Statutory

Financial Year	Short Term Benefits				% of target STI	Post-employment Benefits – Super-annuation <sup>5</sup>	Long Term Incentives				Termination Benefits <sup>8</sup>	Total
	Salary & Fees	Non Monetary <sup>4</sup>	Other <sup>4</sup>	STI			Cash Based	Equity Based – 2014 LT <sup>6</sup>	Senior Executive Incentive Plan 2017 <sup>7</sup>			
<b>John Alexander<sup>1</sup></b> Executive Chairman	2017	2,313,717	76,229	68,561	125,000	25%	19,616	-	(675,000)	275,000	-	2,203,123
	2016	1,480,692	-	-	-	-	19,308	-	1,125,000	-	-	2,625,000
<b>Ken Barton<sup>2</sup></b> Chief Financial Officer & CEO Digital	2017	1,787,084	59,671	-	335,000	67%	19,616	-	(607,706)	165,000	-	1,758,665
	2016	1,745,002	43,726	-	710,000	142%	34,998	-	1,012,500	-	-	3,546,226
<b>Rowen Craigie<sup>3</sup></b>	2017	2,077,823	-	-	-	-	14,712	-	(1,350,000)	-	6,272,700	7,015,235
	2016	3,070,692	-	-	900,000	90%	19,308	-	2,250,000	-	-	6,240,000
<b>Barry Felstead</b> Chief Executive Officer - Australian Resorts	2017	2,238,759	126,699	-	270,000	30%	19,616	-	(945,000)	165,000	-	1,875,074
	2016	2,205,692	22,800	-	1,000,000	112%	19,308	-	1,575,000	-	-	4,822,800
<b>Todd Nisbet</b> Executive Vice President - Strategy & Development	2017	2,238,759	265,496	366,927	335,000	30%	19,616	-	(945,000)	165,000	-	2,445,798
	2016	2,205,692	-	332,940	1,000,000	90%	19,308	-	1,575,000	-	-	5,132,940
<b>2017 TOTALS</b>		<b>10,656,142</b>	<b>528,095</b>	<b>435,488</b>	<b>1,065,000</b>		<b>93,176</b>	<b>-</b>	<b>(4,522,706)</b>	<b>770,000</b>	<b>6,272,700</b>	<b>15,297,895</b>
<b>2016 TOTALS</b>		<b>10,707,770</b>	<b>66,526</b>	<b>332,940</b>	<b>3,610,000</b>		<b>112,230</b>	<b>-</b>	<b>7,537,500</b>	<b>-</b>	<b>-</b>	<b>22,366,966</b>

1 Mr Alexander was Executive Deputy Chairman until 31 January 2017 and was appointed Executive Chairman with effect from 1 February 2017.

2 Mr Barton assumed the role as CEO of Crown's Digital Businesses with effect from 1 February 2017.

3 Mr Craigie stepped down from his role as Managing Director and Chief Executive Officer with effect from 28 February 2017.

4 Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive. The Non Monetary short term benefits for the 2017 financial year also include fringe benefits tax paid in relation to benefits received by the Senior Executives.

5 Long service leave accrued balances have increased during the financial year ended 30 June 2017 for the following Senior Executives: Mr Alexander \$38,765, Mr Barton \$30,015, Mr Craigie \$34,764, Mr Felstead \$37,519 and Mr Nisbet \$37,519.

6 During the financial year ended 30 June 2017, Crown did not meet the relevant EPS Hurdle and the LTI provisioning has been amended accordingly. This has resulted in a reversal of amounts previously expensed. Details of the actual sums vested to relevant Senior Executives has been noted in the section of this Report entitled 2014 Crown Long Term Incentive Plan (2014 Crown LTI).

7 The 2017 Incentive Plan has been included in total remuneration on the basis that it is considered more likely than not that, at the date of this Report, the vesting condition will occur.

8 Subject to the receipt of shareholder approval, Mr Craigie will be entitled to 12 months' pay in lieu of notice and a severance payment equal to 12 months' fixed remuneration equal to the amount included in the Termination Benefits column.

**Remuneration Table – Remuneration Received / Vested**

The statutory table above is prepared in accordance with the requirements of the Corporations Act, and does not reflect amounts actually received by the Senior Executives during the financial year. The following table sets out the remuneration which was received by, or vested during, the relevant financial year for each Senior Executive. This is comprised of salary and fees, the STI referable to the previous financial year, but which was received after the end of the financial year and the actual portion of the 2014 Crown LTI which vested during the financial year. While Senior Executives did not actually receive the vested component of the 2014 Crown LTI, those funds were applied by the trustee of the Plan to acquire Crown shares which are being held for the benefit of the Senior Executive in accordance with the terms of the Plan rules. The value of the 2017 Incentive Plan has not been included in the following table. This information is provided as it is considered to be of interest to the users of this Report.

Financial Year	Salary & Fees	Non Monetary	Other <sup>1</sup>	STI	Super-annuation	Vested Component of Equity Based - 2014 Crown LTI	Termination Benefits	Total
<b>John Alexander</b> Executive Chairman	2017	2,313,717	76,229	622,579	-	19,616	-	3,032,141
	2016	1,480,692	-	-	-	19,308	900,000	2,400,000
<b>Ken Barton</b> Chief Financial Officer & CEO Digital	2017	1,787,084	59,671	-	710,000	19,616	-	2,576,371
	2016	1,745,002	43,726	-	450,000	34,998	810,000	3,083,726
<b>Rowen Craigie</b>	2017	2,077,823	-	2,392,615	900,000	14,712	-	5,385,150
	2016	3,070,692	-	-	800,000	19,308	1,800,000	5,690,000
<b>Barry Felstead</b> Chief Executive Officer - Australian Resorts	2017	2,238,759	126,699	-	1,000,000	19,616	-	3,385,074
	2016	2,205,692	22,800	-	864,000	19,308	1,260,000	4,371,800
<b>Todd Nisbet</b> Executive Vice President – Strategy & Development	2017	2,238,759	265,496	366,927	1,000,000	19,616	-	3,890,798
	2016	2,205,692	-	332,940	864,000	19,308	1,260,000	4,681,940
<b>2017 TOTALS</b>	<b>10,656,142</b>	<b>528,095</b>	<b>3,382,121</b>	<b>3,610,000</b>	<b>93,176</b>	<b>-</b>	<b>-</b>	<b>18,269,534</b>
<b>2016 TOTALS</b>	<b>10,707,770</b>	<b>66,526</b>	<b>332,940</b>	<b>2,978,000</b>	<b>112,230</b>	<b>6,030,000</b>	<b>-</b>	<b>20,227,466</b>

1 Refer to the summaries of contracts of employment for each Senior Executive for a description of the short term benefits to which each individual is entitled to receive. The figure included in 'Other' for Mr Alexander includes an amount of annual leave cashed out in November 2016 and the figure included in 'Other' for Mr Craigie includes an amount of leave accrued and paid up to and including 28 February 2017.

## Key Management Personnel Disclosures

### Shareholdings of Key Management Personnel

Set out below is a summary of equity instruments held directly, indirectly or beneficially by KMPs, close family or controlled entities.

#### 30 June 2017

##### Crown Directors

Directors (Including Directors who left the Board during the year)	Balance 1 July 2016	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2017
John Alexander	333,768	65,789	-	399,557
Rowen Craigie	225,556	131,579	-	357,135*
Rowena Danziger	30,896	-	-	30,896
Harold Mitchell	114,887	-	-	114,887

\* Mr Craigie ceased as a director on 28 February 2017. As required by the ASX Listing Rules, Mr Craigie provided Crown with an Appendix 3Z detailing his interests in Crown shares on the date of his resignation. The interests in respect of Mr Craigie are therefore as at 28 February 2017.

##### Crown Executives

Executives	Balance 1 July 2016	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2017
Ken Barton	83,898	59,230	-	143,128
Barry Felstead	86,269	92,105	-	178,374
Todd Nisbet	137,426	92,105	-	229,531

#### 30 June 2016

##### Crown Directors

Directors (Including Directors who left the Board during the year)	Balance 1 July 2015	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2016
James Packer	364,270,253	-	-	364,270,253*
John Alexander	272,147	61,621	-	333,768
Rowen Craigie	102,314	123,242	-	225,556
Rowena Danziger	30,896	-	-	30,896
Harold Mitchell	114,887	-	-	114,887

\* Mr Packer ceased as a director on 21 December 2015. As required by the ASX Listing Rules, Mr Packer provided Crown with an Appendix 3Z detailing his interests in Crown shares on the date of his resignation. The interests in respect of Mr Packer are therefore as at 21 December 2015.

##### Crown Executives

Executives	Balance 1 July 2015	Issued under 2014 Crown LTI	Other net change	Balance 30 June 2016
Ken Barton	28,420	55,478	-	83,898
Barry Felstead	-	86,269	-	86,269
Todd Nisbet	51,157	86,269	-	137,426

### Senior Executive Option Holdings

Set out below is a summary of Options held directly, indirectly or beneficially by KMPs, close family or controlled entities.

Senior Executives	Balance 1 July 2016	Options granted under 2017 Incentive Plan	Options exercised	Other net change	Balance 30 June 2017	Options vested during year
John Alexander	-	5,000,000	-	-	5,000,000	-
Ken Barton	-	3,000,000	-	-	3,000,000	-
Barry Felstead	-	3,000,000	-	-	3,000,000	-
Todd Nisbet	-	3,000,000	-	-	3,000,000	-

### Loans to Key Management Personnel

As noted above, Options under the 2017 Incentive Plan have been issued to those Senior Executives remaining following the restructure announced by Crown earlier in the year. The Options were issued to those Senior Executives for a Fee equal to the market value at the date they were originally agreed to be issued, being 22 February 2017, of \$0.71 per Option (Fee). Each relevant Senior Executive paid the Fee for the issue of the Options through an Acquisition Loan advanced by Crown.

The Acquisition Loan is repayable on the exercise, lapse, cancellation or forfeiture of the Options financed by the Acquisition Loan. No interest is payable on the Loan.

The repayment amount of the Acquisition Loan is the lesser of the outstanding amount of the loan and:

- the market value of the Crown shares to be delivered on exercise; or
- in the case of a buy-back, the market value of the Option; or
- in the case of lapse, cancellation or forfeiture, nil.

The Senior Executives who have been granted an Acquisition Loan and the value of that Acquisition Loan are as follows:

Senior Executives	Acquisition Loan Value
John Alexander	\$3,543,300
Barry Felstead	\$2,125,980
Todd Nisbet	\$2,125,980
Ken Barton	\$2,125,980

There have been no other loans made, guaranteed or secured, directly or indirectly by the Company or any of its subsidiaries in the reporting period in relation to KMPs, close family or controlled entities.

### Transactions entered into with Key Management Personnel

Other than as has been disclosed in Note 28 of the Financial Report, there have been no transactions entered into during the reporting period between the Company or any of its subsidiaries and KMPs, close family and controlled entities.

Signed in accordance with a resolution of the Directors.



**J H Alexander**  
Director

Melbourne, 12 September 2017