

Corporate Governance Statement

The Crown Limited Board is committed to the implementation and maintenance of good corporate governance practices.

This Statement sets out the extent to which Crown Limited (**Crown**) has followed the best practice recommendations set by the ASX Corporate Governance Council (the **Principles and Recommendations**) during the twelve month period ending 30 June 2010.

Principle 1

Lay solid foundations for management and oversight

Functions reserved for the Board

The Board is responsible for guiding and monitoring Crown on behalf of its shareholders. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board has adopted a formal Board Charter which sets out a list of specific functions which are reserved for the Board.

Functions delegated to senior executives

Crown's senior executives have responsibility for matters which are not specifically reserved for the Board (such as the day-to-day management of the operations and administration of Crown).

Process for evaluating performance of senior executives

Crown has established processes for evaluating the performance of its senior executives. In summary, each senior executive is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is followed by the determination of appropriate remuneration of the relevant senior executive.

Detailed information regarding Crown's remuneration practices is provided in the Remuneration Report. An evaluation of senior executives took place following the end of the financial year and in accordance with the processes described in the Remuneration Report.

Induction process for new executives

Crown executives are required to undertake formal induction training through Crown Melbourne's on-site accredited training facility – Crown College.

The program involves training about:

- the history and development of the Crown brand and business;
- the main legal and regulatory obligations affecting the Crown business;
- Crown's responsible gaming policies and procedures; and
- the rights and obligations of Crown employees.

As part of the induction program, executives are required to successfully complete a series of online training modules and to pass the associated assessment.

More information

A full copy of the Crown Board Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

Principle 2 Structure the Board to add value

Composition of the Board

As at the date of this Statement, the Board comprises the following twelve Directors:

- James D Packer
Executive Chairman
- John H Alexander BA
Executive Deputy Chairman
- Benjamin A Brazil BCom LLB
Independent, Non-Executive Director
- Christopher D Corrigan
Independent, Non-Executive Director
- Rowen B Craigie BEc (Hons)
Chief Executive Officer and Managing Director
- Rowena Danziger BA, TC, MACE
Independent, Non-Executive Director
- Geoffrey J Dixon
Independent, Non-Executive Director
- David L B Gyngell
Independent, Non-Executive Director
- Professor John S Horvath AO, MB, BS (Syd), FRACP
Independent, Non-Executive Director
- Ashok Jacob MBA
Non-independent, Non-Executive Director
- Michael R Johnston BEc, CA
Non-independent, Non-Executive Director
- Richard W Turner AM, BEc, FCA
Independent, Non-Executive Director

Mr David H Lowy resigned as a director on 22 June 2010.

Information about each current Director's qualifications, experience and period in office is set out in the Directors' Statutory Report.

The roles of Chair and Chief Executive Officer are exercised by separate persons. James Packer acts as Executive Chairman and Rowen Craigie as Chief Executive Officer and Managing Director.

Relationships affecting independence

During the financial year ending 30 June 2010 (until Mr Lowy's resignation), Crown had eleven Directors, six of whom were independent Directors. A majority of Directors were therefore independent.

The appointments of Professor Horvath and Mr Gyngell, which were announced on 22 June 2010, took effect on 9 September and 13 September 2010 respectively following the receipt of all necessary regulatory approvals. As a consequence, the Crown Board currently comprises twelve Directors, seven of whom are independent Directors.

The independence of Directors is assessed against a list of criteria and materiality thresholds. Those criteria have been formally enshrined in the Crown Board Charter. Each Director who is listed as an independent Director complies with the relevant criteria for independence set out in the Crown Board Charter.

Departure from Recommendation 2.2: The Principles and Recommendations recommend that the chair of the Board should be an independent Director. Crown's Chairman is not an independent Director. The Board believes that the interests of shareholders are best served by a Chairman who is sanctioned by shareholders and who will act in the best interests of shareholders as a whole. As the Chairman has a significant relevant interest in Crown, he is well placed to act on behalf of shareholders and in their best interests.

Procedure for selection and appointment of new Directors

In April 2010, the Board expanded the mandate of the Remuneration Committee to include delegated authority to deal with nomination issues. The newly named "Nomination and Remuneration Committee" has a formal Charter that outlines its duties and responsibilities. Those responsibilities include reviewing Crown's procedure for the selection and appointment of new directors and developing succession plans in order for the Board to maintain appropriate experience, expertise and diversity.

Where a new Director appointment is required, the Committee adheres to procedures including the following:

- the experience and skills appropriate for an appointee, having regard to those of the existing Board members and likely changes to the Board are considered;
- upon identifying a potential appointee, specific consideration is given to that candidate's:
 - competencies and qualifications;
 - independence;
 - other directorships and time availability; and
 - the effect that their appointment would have on the overall balance and composition of the Board; and
- finally, all existing Board members must consent to the proposed appointment.

The re-appointment procedures for incumbent Directors are as outlined in Crown's Constitution. In summary, subject to the specific matters described in the Constitution, an election of Directors must take place each year at which one third of Directors must retire. Any Director who has been in office for three or more years and for three or more annual general meetings must also retire. Directors who retire are generally eligible for re-election.

Process for evaluating performance of the Board, its Committees and its members

A performance evaluation of the Board and of its Committees is undertaken annually, following completion of each financial year, by way of a questionnaire sent to each Board and Committee member.

The questionnaire covers the role, composition, procedure and practices of the Board and its Committees. The individual responses to the questionnaire are confidential to each Board/Committee member, with questionnaire responses to be provided to the Chairman of the Audit & Corporate Governance Committee for his consideration and provision of a report to the Executive Chairman of the Board.

An evaluation of the Board and its Committees took place following the end of the financial year and in accordance with the processes described above.

The mandate of the amended Nomination and Remuneration Committee now extends to reviewing Crown's procedure for the evaluation of the performance of the Board, its Committees and its directors. Accordingly, responses to the Board performance evaluation will be reviewed by the Nomination and Remuneration Committee commencing in financial year 2011.

Procedures for taking independent advice

To enable Crown's Board to fulfil its role, each Director may obtain independent advice on relevant matters at Crown's expense. In these circumstances, the Director must notify the Executive Chairman of the nature of the advice sought prior to obtaining that advice, so that the Executive Chairman can take steps to ensure that the party from whom advice is sought has no material conflict of interest with Crown. The Executive Chairman is also responsible for approving payment of invoices in relation to the external advice.

In addition, each Board Committee has the full authority of the Board to:

- communicate and consult with external and internal persons and organisations concerning matters delegated to the Committee; and
- appoint independent experts to provide advice on matters delegated to the Committee.

Crown Board Committees

To assist in carrying out its responsibilities, the Crown Board has established the following Committees:

Committees	Current Members	Meetings held during FY 2010
Audit & Corporate Governance	Richard Turner (Chair) Rowena Danziger Michael Johnston	3
Finance*	Geoffrey Dixon (Chair) Michael Johnston Richard Turner	0
Investment	James Packer (Chair) John Alexander Rowen Craigie Ashok Jacob	2
Nomination and Remuneration**	Geoffrey Dixon (Chair) Chris Corrigan James Packer	1
Occupational Health, Safety & Environment	Rowena Danziger (Chair) Rowen Craigie Michael Johnston	4
Risk Management	Geoffrey Dixon (Chair) Rowen Craigie Rowena Danziger	2

* The Finance Committee did not meet this financial year as all relevant financing matters were dealt with by the Board.

** The Nomination and Remuneration Committee was restructured in April 2010. Its mandate was extended to include delegated authority to deal with nomination issues. In April 2010, Mr Corrigan replaced Mr Alexander and Mr Dixon commenced his role as Chair. There was one meeting of the Committee during financial year 2010 subsequent to the restructure.

In addition, a Responsible Gaming Committee was established in June 2010 to oversee and enhance Crown's responsible gaming programs and performance. The Committee is comprised of the following members: John Horvath (Chair), Rowen Craigie and Rowena Danziger. The Committee will commence its role in financial year 2011.

Each Committee has adopted a formal Charter that outlines its duties and responsibilities.



More information

A full copy of each of Crown's Committee Charters is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A description of the procedure for selection, appointment and re-election of Directors is available on the Crown website at:
www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 3 Promote ethical and responsible decision-making

Codes of conduct

Crown has established separate Codes of Conduct that outline the standard of ethical behaviour that is expected of its Directors and of its employees at all times. The Code of Conduct for Employees is a detailed statement of the:

- practices required by employees to maintain confidence in Crown's integrity;
- legal obligations of employees and the reasonable expectations of their stakeholders; and
- responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Policy concerning trading in company securities

Crown has adopted a formal Securities Trading Policy which details Crown's policy concerning trading in Crown shares by Directors, senior executives and employees.

The Securities Trading Policy:

- includes a requirement that employees do not buy and sell Crown shares within a 12 month period (ie that they do not short trade);
- establishes formal "trading windows" during which Crown employees can and cannot trade in Crown shares;
- sets out Crown's policy on entering into transactions in associated products which limit economic risk; and
- summarises the application of the insider trading provisions of the Corporations Act and the consequences of contravention thereof.

More information

Full copies of Crown's Code of Conduct for Directors and Code of Conduct for Employees are available at: www.crownlimited.com under the heading Corporate Governance – Codes.

A full copy of Crown's Securities Trading Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 4 Safeguard integrity in financial reporting

Crown Audit & Corporate Governance Committee and Charter

As indicated above, Crown has established a formal Audit & Corporate Governance Committee to review the integrity of Crown's financial reporting and to oversee the independence of Crown's external auditors.

The members of the Audit & Corporate Governance Committee are Richard Turner (Chair), Rowena Danziger and Michael Johnston. All members of the Committee are Non-Executive Directors and a majority of those Committee members are independent Directors.

The Chairman of the Audit & Corporate Governance Committee, Mr Richard Turner is an independent Director who has extensive financial qualifications and experience, having been an audit partner at Ernst & Young and having held the position of Chief Executive Officer of Ernst & Young prior to his retirement in 1994.

Further information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Audit & Corporate Governance Committee has adopted a formal Charter that outlines its duties and responsibilities.

The Charter includes information on the procedures for selection and appointment of the external auditor of Crown and for the rotation of external audit engagement partners.

More information

A full copy of Crown's Audit & Corporate Governance Committee Charter is available at: www.crownlimited.com under the heading Corporate Governance – Charters.

Principle 5 Make timely and balanced disclosure

Policy to ensure compliance with ASX Listing Rule disclosure requirements

Crown has a formal Continuous Disclosure Policy in place which is designed to ensure compliance with ASX Listing Rule requirements. The Policy details processes for:

- ensuring material information is communicated to Crown's Chief Executive Officer, its General Counsel and Company Secretary or a member of the Audit & Corporate Governance Committee;
- the assessment of information and for the disclosure of material information to the market; and
- the broader publication of material information to Crown's shareholders and the media.



More information

A full copy of Crown's Continuous Disclosure Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 6 Respect the rights of shareholders

Promotion of effective communication with shareholders

Crown has a Communications Policy which seeks to promote effective communication with its shareholders. The Policy explains how information concerning Crown will be communicated to shareholders. The communication channels include:

- Crown's Annual Report;
- disclosures made to the ASX; and
- Notices of Meeting and other Explanatory Memoranda.

Crown has a dedicated corporate website which includes copies of all communications and other company information.



More information

A full copy of Crown's Communication Policy is available at: www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 7 Recognise and manage risk

Policy for the oversight and management of material business risks

Crown has established policies for the oversight and management of material business risks and has adopted a formal Risk Management Policy. Risk management is an integral part of the industry in which Crown operates.

Design and implementation of risk management and internal control systems

As required by the Board, Crown's management have devised and implemented risk management systems appropriate to Crown.

Management is charged with monitoring the effectiveness of risk management systems and is required to report to the Board via the Risk Management Committee. The Board convened Risk Management Committee administers Crown's Risk Management Policy.

The Policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of Crown's controlled businesses and requires that the results of those procedures are reported to the Crown Board. A formal Risk Management Plan has been developed using the model outlined in Australia & New Zealand Standard 4360: 2004. The Plan identifies specific Head Office risks in light of major risks identified at an operational level and provides the framework for the reporting and monitoring of material risks across the Crown group.

The Board has received, and will continue to receive, periodic reports through the Risk Management Committee, summarising the results of risk management initiatives at Crown.

Chief Executive Officer and Chief Financial Officer assurances

The Crown Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

More information

A full copy of Crown's Risk Management Committee Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A full copy of Crown's Risk Management Policy is available at:
www.crownlimited.com under the heading Corporate Governance – Policies.

Principle 8 Remunerate fairly and responsibly

Remuneration of Board members and Senior Executives

As indicated earlier, Crown has established a formal Nomination and Remuneration Committee. The role of the Nomination and Remuneration Committee includes the review and recommendation of appropriate Directors' Fees to be paid to Non-Executive Directors. The Committee's Charter provides that, at the discretion of the Crown Board, the role of this Committee may be extended to consideration of remuneration policies to be applied to executives, including any equity-based remuneration plan that may be considered, subject to shareholder approval (where required).

In the lead up to the end of the financial year, the Nomination and Remuneration Committee was requested by the Board to review executive remuneration policies. Accordingly, following the end of the financial year, the Committee has reviewed and approved:

- the remuneration for senior executives which will apply during the financial year ending 30 June 2011; and
- the short term bonus payments made to senior executives referable to the financial year ending 30 June 2010.

The current members of the Nomination and Remuneration Committee are Geoffrey Dixon (Chair), Chris Corrigan and James Packer.

Information about each Committee member's qualifications and experience is set out in the Directors' Statutory Report.

The Nomination and Remuneration Committee has adopted a formal Charter that outlines its duties and responsibilities.

A summary of current remuneration arrangements is set out more fully in the Remuneration Report.

The objective of Crown's remuneration policy is to ensure that:

- senior executives are motivated to pursue the long-term growth and success of Crown; and
- there is a clear relationship between senior executives' performance and remuneration.

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

The Crown Board has resolved that Directors and employees of the Crown group who hold Crown shares under the Executive Share Plan are not permitted to hedge or create derivative arrangements in respect of their Executive Share Plan shares or any of their interests in any of those shares.



More information

A full copy of Crown's Nomination and Remuneration Committee Charter is available at:
www.crownlimited.com under the heading Corporate Governance – Charters.

A full copy of Crown's Remuneration Policy is available at:
www.crownlimited.com under the heading Corporate Governance – Policies.