

# Remuneration Report

This Remuneration Report for the year ended 30 June 2016, outlines the Director and executive remuneration arrangements of Crown in accordance with the requirements of the Corporations Act 2001 and its regulations. 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 the parent company.

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

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5. Relationship between Remuneration Policy and Company Performance
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## Introduction

### Persons to whom report applies

The remuneration disclosures in this Report cover the following persons:

#### Non-executive Directors

- Robert J Rankin (Chairman from 12 August 2015)
- Benjamin A Brazil
- Helen A Coonan
- Rowena Danziger
- Andrew Demetriou
- Geoffrey J Dixon
- John S Horvath
- Michael R Johnston
- Harold C Mitchell
- James D Packer (Chairman until 12 August 2015, Non-executive Director until 21 December 2015)

#### Executive Directors

- John H Alexander (Executive Deputy Chairman)
- Rowen B Craigie (Managing Director and Chief Executive Officer)

#### Other company executives and key management personnel

- Kenneth M Barton (Chief Financial Officer)
- 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 Remuneration Report contains a similar level of disclosure to the 2015 Remuneration Report. 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.

## 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 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 Non-Executive independent Directors.

A review of Non-executive Directors' fees was conducted following year end and it is proposed that, subject to shareholder approval to increase the Non-executive Directors fee cap in the Crown Constitution, those fees be 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 long term incentive plan (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 legislation.

### Senior Executives

The remuneration structure 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 focuses which are taken into consideration as part of performance based remuneration, are set out on page 3.

## 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 Guarantee 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 Chief Executive Officer and Managing Director) is reviewed annually by the Chief Executive Officer and Managing Director and the Chairman of Crown 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 Chief Executive Officer and Managing Director is reviewed by the Chairman and approved annually following consideration by the Nomination and Remuneration Committee of his performance against his annual KPOs.

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

The fixed remuneration for Crown's Chief Executive Officer and Managing Director, Mr Rowen Craigie, which applied during the financial year, was \$3,090,000, which represented a 3% increase on his financial year 2015 fixed remuneration. Mr Craigie's fixed remuneration had remained unchanged from 2007, when his fixed remuneration of \$3,000,000 was determined as part of the de-merger of the gaming businesses of Publishing and Broadcasting Limited and listing of Crown Resorts Limited in December 2007 until 30 June 2015.

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 page 62.

### **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 LTI).

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.

#### ***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 each 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, each business's four year forecast is then incorporated into the Four Year Financial Plan and reviewed by the Crown Resorts Limited Chief Executive Officer and Chief Financial Officer. The Four Year Financial Plan is then reviewed by the 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 Crown 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 the 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	Performance against budgeted normalised EBITDA <sup>1</sup> and/or net profit after tax.
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 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 that 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.

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 Chief Executive Officer and Managing Director, having regard to the operational performance of the business or function in which the Senior Executive is involved and the Chief Executive Officer and Managing Director's assessment of the attainment of the individual's KPOs.

The Chief Executive Officer and Managing Director and the Chairman review performance based remuneration entitlements and recommend the STI payments, subject to final approval by the Nomination and Remuneration Committee and the Board.

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

For a more detailed commentary on financial year 2016 STI bonuses see page 67.

1. 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).

## Long term Incentives

### 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 earnings per share (EPS) target would exclude the contribution from Melco Crown Entertainment Limited (MCE) 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 MCE 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 is 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 is 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 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 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 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 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 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 have 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 affect the definition of Crown Profit, which were not contemplated when the 2014 Four Year Financial Plan was adopted.

Those events have both a positive impact on the determination of Crown Profit, in some cases, and a negative impact in other cases. They include 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 be 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 affect 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 include new business acquisitions not contemplated in the 2014 Four Year Financial Plan such as CrownBet and DGN, potential development projects including One Queensbridge and Alon and foreign exchange movements and asset revaluations.

The Nomination and Remuneration Committee concluded that in light of these events and unforeseen costs, appropriate adjustments to neutralise these events should be made. 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.

#### ***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 and financial year 2016 together with Crown's actual EPS for financial year 2015 and financial year 2016.

	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?
<b>FY15</b>	51.5 cents	N/A	50.5 cents	53.0 cents	N/A	Yes
<b>FY16</b>	57.6 cents	11.8%	56.4 cents	57.1 cents	7.7%	Yes

\* In financial year 2015 and financial year 2016 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 MCE 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 cash 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

As noted in the tables above, in financial year 2016, Crown met the relevant EPS Hurdle and accordingly, an entitlement to 20% of potential EPS Bonuses for financial year 2016 has vested.

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

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

In accordance with the rules of the 2014 Crown LTI, the vested component of the cash bonus for financial year 2016 will be applied by Crown to fund the purchase of Crown shares on market, which will be held on trust for each of Mr Alexander, Mr Barton, Mr Craigie, Mr Felstead and Mr Nisbet until the end of financial year 2018.

## 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) and Crown's Board approved Four Year Financial Plan (in the case of the 2014 Crown LTI).

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) or predetermined EPS Targets (in the case of the 2014 Crown LTI).

Full details of how these links have been achieved are set out in the sections of the Report above, 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; and
- The 2014 Crown LTI is linked to predetermined EPS Hurdles in financial year 2015, financial year 2016, financial year 2017 and financial year 2018.

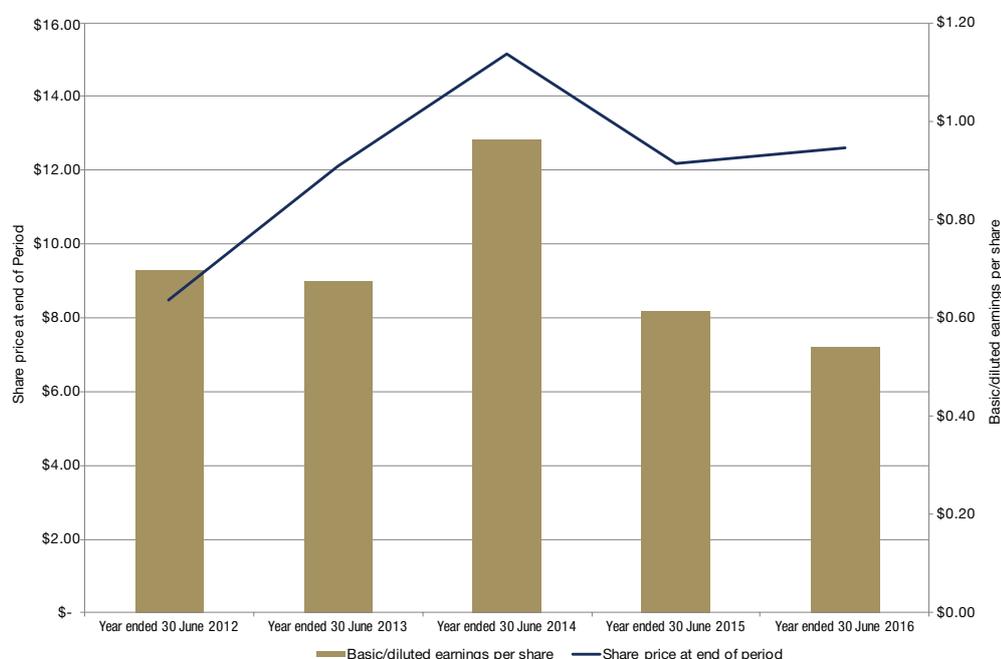
This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 1.8%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period commencing from financial year 2011 through to financial year 2016 was 5.9%. Normalised Crown group NPAT fell by 22.7% in financial year 2016 predominantly due to a decline in the earnings of Melco Crown Entertainment Limited. The compound average normalised NPAT growth for the Crown group for the five year period commencing from financial year 2011 through to financial year 2016 was 3.6%.

The table and graph below set out information about movements in shareholder wealth for the years ended 30 June 2012 to 30 June 2016.

	Year ended 30 June 2012	Year Ended 30 June 2013	Year Ended 30 June 2014	Year Ended 30 June 2015	Year Ended 30 June 2016
Share price at start of period	\$8.93	\$8.49	\$12.11	\$15.12	\$12.20
Share price at end of period	\$8.49	\$12.11	\$15.12	\$12.20	\$12.61
Full year dividend	37 cents <sup>1</sup>	37 cents <sup>1</sup>	37 cents <sup>1</sup>	37 cents <sup>2</sup>	72.5 cents <sup>3</sup>
Basic/diluted earnings per share <sup>4</sup>	69.78 cps	67.40 cps	96.44 cps	61.28 cps	54.04 cps

Notes:

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 comprised of 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. Excluding the effect of significant items.



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

The rules of the 2014 Crown Long Term Incentive Plan 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. Security Interests are 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.

## 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 & Corporate Governance Committee, the Occupational Health & Safety Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee or the Risk Management Committee).

Non-executive Directors fees which applied during the financial year ended 30 June 2016 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

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

In accordance with Crown's constitution, Non-executive Directors' fees were within an aggregate Non-executive Directors' fee cap of \$1,300,000 per annum.

A review of Non-executive Directors' fees was conducted following 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 has been no increase in Non-executive Directors' fees since the Publishing and Broadcasting Limited demerger in 2007; and
- To determine whether the aggregate Non-executive Directors' fee cap could accommodate a potential increase in Non-executive Director fees.

The Nomination and Remuneration Committee also considered whether there would be potential within the existing Non-executive Directors' fee cap to accommodate future Non-executive Director fee increases and the possible appointment of another Non-executive Director.

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 has therefore 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. The 2016 Notice of Annual General Meeting provides further information regarding the proposed increase in the fee cap in an Explanatory Memorandum.

Set out below is a table showing Non-executive Director remuneration for financial years 2016 and 2015.

#### 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>	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
<b>Helen Coonan</b>	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
<b>Rowena Danziger<sup>1</sup></b>	2016	210,000	-	-	19,308	-	-	-	229,308
Non-executive Director	2015	210,000	-	-	18,783	-	-	-	228,783
<b>Andrew Demetriou<sup>3</sup></b>	2016	175,000	-	-	16,625	-	-	-	191,625
Non-executive Director	2015	69,792	-	-	6,630	-	-	-	76,422
<b>Geoffrey Dixon</b>	2016	140,000	-	-	13,300	-	-	-	153,300
Non-executive Director	2015	140,000	-	-	13,300	-	-	-	153,300
<b>John Horvath<sup>1</sup></b>	2016	210,000	-	-	19,308	-	-	-	229,308
Non-executive Director	2015	210,000	-	-	18,783	-	-	-	228,783
<b>Michael Johnston<sup>2</sup></b>	2016	-	-	-	-	-	-	-	-
Non-executive Director	2015	-	-	-	-	-	-	-	-
<b>Harold Mitchell</b>	2016	120,000	-	-	11,400	-	-	-	131,400
Non-executive Director	2015	120,000	-	-	11,400	-	-	-	131,400
<b>Robert Rankin<sup>2</sup></b>	2016	-	-	-	-	-	-	-	-
Non-executive Director	2015	-	-	-	-	-	-	-	-
<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>
<b>2015 TOTALS</b>		<b>989,792</b>	<b>-</b>	<b>-</b>	<b>91,696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,081,488</b>

Notes:

- 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.
- Neither Mr Johnston nor Mr Rankin currently receive remuneration from Crown for their services to Crown.
- 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.

#### 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 executive's fixed remuneration, with any increases requiring approval of the Chief Executive Officer and Managing Director 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 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 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 financial year ending 30 June 2016 are summarised in the tables on the following pages.

**Summary of Contracts of Employment Applicable During the Year Ended 30 June 2016**

<b>John H Alexander</b>			
<b>Current Position</b>	Executive Deputy Chairman (commenced 1 December 2007): Mr Alexander’s current employment agreement with Crown Resorts Limited has no fixed term.		
<b>Fixed Remuneration</b>			
Base salary:	\$1,480,692 per annum		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 per annum.		
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities and superannuation.		
<b>Performance based remuneration</b>	Mr Alexander participates in the 2014 Crown LTI. See further page 54.		
<b>2016 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>
	57%	0%	43%
<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; 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		

<b>Rowen B Craigie</b>			
<b>Current Position</b>	Chief executive officer and managing Director (commenced 1 December 2007): Mr Craigie's employment agreement with Crown Resorts Limited will expire on 30 November 2018.		
<b>Fixed Remuneration</b>			
Base salary:	\$3,070,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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:	A maximum of \$1,000,000, assessed by the Chairman based on the achievement of personal KPOs. A further \$1,000,000 may be paid at the discretion of the Crown Board if Crown's performance substantially exceeds that set out in Crown's business plan and represents an exemplary outcome.		
LTI:	Mr Craigie participates in the 2014 Crown LTI. See further page 54.		
<b>2016 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>
	50%	14%	36%
<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; one month's notice for performance issues (following at least three months' notice to improve); three months' notice for incapacity.		
<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. The imposition of Mr Craigie's post-employment restraint is conditional upon receipt of his severance payment.		
<b>Payments made prior to commencement</b>	Nil		
<b>Directors' Fees</b>	Nil		

<b>Kenneth M Barton</b>			
<b>Current Position</b>	Chief Financial Officer (commenced 9 March 2010): Mr Barton's employment agreement with Crown Resorts Limited will expire on 30 September 2018.		
<b>Fixed Remuneration</b>			
Base salary:	\$1,760,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 per annum. During the year, Mr Barton made additional voluntary contributions to superannuation as disclosed in the remuneration tables later in this Report.		
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. See further page 54.		
<b>2016 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>
	51%	20%	29%
<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:	\$2,205,692 per annum		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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. See further page 54.		
<b>2016 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>
	46%	21%	33%
<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		

<b>W. Todd Nisbet</b>			
<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:	\$2,205,692 per annum.		
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$19,308 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. See further page 54.		
<b>2016 Percentage breakdown of remuneration</b>	<b>Fixed remuneration</b> (Includes voluntary and compulsory superannuation)	<b>STI</b>	<b>2014 Crown LTI</b>
	50%	19%	31%
<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:	2 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 ending 30 June 2016 and 30 June 2015 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 this year which details the remuneration that was received, or vested by each senior executive during the year.

### Fixed Remuneration

Mr Alexander did not receive an increase to his fixed remuneration in financial year 2016 as compared with financial year 2015.

Mr Craigie, Mr Nisbet and Mr Felstead received an increase to their fixed remuneration of 3%. Mr Barton received an increase to his fixed remuneration of 15%, reflecting the expanded scope of his responsibilities, the achievement of various performance objectives and the relative remuneration of his peers.

### Short Term Incentives (STI)

In financial year 2016, the Group's financial performance objectives were generally met. Crown Melbourne met its financial performance objectives and Crown Perth exceeded its local contribution objective although did not achieve its overall financial performance objectives. However, on account of declined performance of MCE's businesses, Crown Resorts Limited did not achieve its normalised NPAT budget. Notwithstanding, some important non-financial objectives were achieved, including good progress on the Crown Towers Perth project, the Crown Sydney project and other development projects.

STI bonuses at Crown Melbourne, Crown Perth and Crown Resorts were generally paid at 100% of target STI bonuses. However, individual STI bonuses were adjusted to reflect the extent to which non-financial objectives were achieved. Accordingly, Mr Craigie received 90% of his target STI bonus of \$1 million and did not receive any part of his further "discretionary bonus" of \$1 million for exceptional performance. Mr Nisbet received \$1 million representing 90% of his target STI bonus and Mr Barton received his target STI of \$500,000, together with 85% of

the additional \$250,000 to which he may be entitled, based on exceptional performance. Mr Felstead's STI bonus of \$1 million exceeded his target STI, based on exceptional performance at Crown Melbourne during the period.

### Long Term Incentives (LTI)

As summarised earlier, Senior Executives 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 financial 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. Accordingly, 25% of the total 2014 Crown LTI bonus for which each Senior Executive is potentially eligible will be included in the remuneration table for each of the four active years of the plan, regardless of whether a bonus has vested or not.

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

Remuneration Table – Statutory

Financial Year	Short Term Benefits					Long Term Incentives					Total
	Salary & Fees	Non Monetary <sup>2</sup>	Other <sup>2</sup>	STI	% of target STI <sup>3</sup>	Post-employment Benefits – Superannuation <sup>4</sup>	Cash Based	Equity Based – 2010 LTI <sup>5</sup>	Equity Based – 2014 LTI <sup>6</sup>	Termination Benefits	
<b>James Packer<sup>1</sup></b>											
2016	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
<b>John Alexander</b> Executive Deputy Chairman											
2016	1,480,692	-	-	-	-	19,308	-	-	1,125,000	-	2,625,000
2015	1,481,217	-	-	-	-	18,783	-	-	1,125,000	-	2,625,000
<b>Ken Barton</b> Chief Financial Officer											
2016	1,745,002	43,726	-	710,000	142%	34,998	-	-	1,012,500	-	3,546,226
2015	1,520,000	45,745	-	450,000	90%	30,000	-	(1,600,000)	1,012,500	-	1,458,245
<b>Rowen Craigie</b> Chief Executive Officer & Managing Director											
2016	3,070,692	-	-	900,000	90%	19,308	-	-	2,250,000	-	6,240,000
2015	2,981,217	-	-	800,000	80%	18,783	-	(4,200,000)	2,250,000	-	1,850,000
<b>Barry Felstead</b> Chief Executive Officer - Australian Resorts											
2016	2,205,692	22,800	-	1,000,000	112%	19,308	-	-	1,575,000	-	4,822,800
2015	2,141,217	22,681	-	864,000	100%	18,783	-	(1,440,000)	1,575,000	-	3,181,681
<b>Todd Nisbet</b> Executive Vice President - Strategy & Development											
2016	2,205,692	-	332,940	1,000,000	90%	19,308	-	-	1,575,000	-	5,132,940
2015	2,141,217	-	310,065	864,000	80%	18,783	-	(1,740,000)	1,575,000	-	3,169,065
<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>-</b>	<b>7,537,500</b>	<b>-</b>	<b>22,366,966</b>
<b>2015 TOTALS</b>	<b>10,264,868</b>	<b>68,426</b>	<b>310,065</b>	<b>2,978,000</b>		<b>105,132</b>	<b>-</b>	<b>(8,980,000)<sup>5</sup></b>	<b>7,537,500</b>	<b>-</b>	<b>12,283,991<sup>5</sup></b>

Notes:

- Mr Packer was Chairman until 12 August 2015 and a Non-executive Director until 21 December 2015. He did not receive a fee for service.
- Refer to the summaries of contracts of employment for a description of the short term benefits to which various executives are entitled.
- 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. The Nomination and Remuneration Committee also exercised discretion to increase Mr Felstead's STI based on exceptional performance at Crown Melbourne during the period.
- Long service leave accrued balances have increased during the financial year ended 30 June 2016 for the following Senior Executives: Mr Alexander \$24,920, Mr Barton \$29,572, Mr Craigie \$51,335, Mr Felstead \$36,965, Mr Nisbet \$36,965.
- The 2010 LTI Modification ceased at the end of financial year 2015 with the Indexed Year 4 EPS Hurdle not having been met, resulting in a reversal of amounts previously expensed.
- The 2014 Crown LTI has been included in total remuneration on the basis that it is considered more likely than not at the date of this financial report that the performance condition and service condition will occur evenly over the life of the Crown LTI, notwithstanding that the benefits will vest for the Senior Executives at a different rate.

### Remuneration Table – Remuneration Received / Vested

The table on the previous page 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. This information is provided as it is considered to be of interest to the users of the Remuneration Report.

	Financial Year	Salary & Fees	Non Monetary	Other	STI	Super-annuation	Vested Component of Equity Based - 2014 Crown LTI	Total
<b>John Alexander</b> Executive Deputy Chairman	2016	1,480,692	-	-	-	19,308	900,000	2,400,000
	2015	1,481,217	-	-	-	18,783	675,000	2,175,000
<b>Ken Barton</b> Chief Financial Officer	2016	1,745,002	43,726	-	450,000	34,998	810,000	3,083,726
	2015	1,520,000	45,745	-	500,000	30,000	607,500	2,703,245
<b>Rowen Craigie</b> Chief Executive Officer & Managing Director	2016	3,070,692	-	-	800,000	19,308	1,800,000	5,690,000
	2015	2,981,217	-	-	800,000	18,783	1,350,000	5,150,000
<b>Barry Felstead</b> Chief Executive Officer - Australian Resorts	2016	2,205,692	22,800	-	864,000	19,308	1,260,000	4,371,800
	2015	2,141,217	22,681	-	580,000	18,783	945,000	3,707,681
<b>Todd Nisbet</b> Executive Vice President – Strategy & Development	2016	2,205,692	-	332,940	864,000	19,308	1,260,000	4,681,940
	2015	2,141,217	-	310,065	1,050,000	18,783	945,000	4,465,065
<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>20,227,466</b>
<b>2015 TOTALS</b>		<b>10,264,868</b>	<b>68,426</b>	<b>310,065</b>	<b>2,930,000</b>	<b>105,132</b>	<b>4,522,500</b>	<b>18,200,991</b>

## 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. The Company does not have any options on issue.

#### 30 June 2016

##### Crown Directors

<b>Directors (Including Directors who left the Board during the year)</b>	<b>Balance 1 July 2015</b>	<b>Issued under executive Share plan</b>	<b>Other net Change</b>	<b>Balance 30 June 2016</b>
James D Packer*	364,270,253	-	-	364,270,253
John H Alexander	272,147	61,621	-	333,768
Rowen B Craigie	102,314	123,242	-	225,556
Rowena Danziger	30,896	-	-	30,896
Harold C 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

<b>Executives</b>	<b>Balance 1 July 2015</b>	<b>Issued under executive Share plan</b>	<b>Other net Change</b>	<b>Balance 30 June 2016</b>
Ken M Barton	28,420	55,478	-	83,898
Barry J Felstead	-	86,269	-	86,269
Todd W Nisbet	51,157	86,269	-	137,426

#### 30 June 2015

##### Crown Directors

<b>Directors (Including Directors who left the Board during the year)</b>	<b>Balance 1 July 2014</b>	<b>Issued under executive Share plan</b>	<b>Other net Change</b>	<b>Balance 30 June 2015</b>
James D Packer	364,270,253	-	-	364,270,253
John H Alexander	256,549	-	15,598	272,147
Rowen B Craigie	102,314	-	-	102,314
Rowena Danziger	30,896	-	-	30,896
Harold C Mitchell	114,887	-	-	114,887

##### Crown Executives

<b>Executives</b>	<b>Balance 1 July 2014</b>	<b>Issued under executive Share plan</b>	<b>Other net Change</b>	<b>Balance 30 June 2015</b>
Ken M Barton	28,420	-	-	28,420
Barry J Felstead	-	-	-	-
Todd W Nisbet	51,157	-	-	51,157

**Loans to Key Management Personnel**

There have been no 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 31 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.



R J Rankin  
Director



R B Craigie  
Director

Melbourne, 9 September 2016