

Remuneration Report

This Remuneration Report for the year ended 30 June 2012, 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. For further details of KMP, refer to note 30 of the Financial Report. The disclosures in the Remuneration Report have been audited.

The Remuneration Report is presented under the following sections:

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 - 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

- Benjamin A Brazil
- Helen A Coonan (appointed 2 December 2011)
- Christopher D Corrigan
- Rowena Danziger
- Geoffrey J Dixon
- John S Horvath
- Ashok Jacob
- Michael R Johnston
- Harold C Mitchell

Executive Directors

- James D Packer (Executive Chairman)
- 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, Crown Perth)
- Greg F Hawkins (Chief Executive Officer, Crown Melbourne from 5 December 2011)
- 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”.

Response to vote Against 2011 Remuneration Report

At Crown’s 2011 Annual General Meeting, Crown received votes against its Remuneration Report representing greater than 25% of the votes cast by persons entitled to vote. In other words, Crown received a “First Strike” against its 2011 Remuneration Report.

In these circumstances, the *Corporations Act 2001* requires Crown to include in this year’s Remuneration Report, an explanation of the Board’s proposed action in response to that First Strike or, alternatively, if the Board does not propose any action, the Board’s reason for such inaction.

Crown’s response to the First Strike was to arrange for senior management to meet with proxy advisers and key institutional investors to discuss and to understand the main reasons why Crown received the vote against the 2011 Remuneration Report.

In summary, the common theme identified was the need for a more extensive explanation of the rationale behind the new Crown Long Term Incentive Scheme (the Crown LTI) and for more visibility on the actual performance against the relevant hurdles for the Crown LTI. In last year’s Remuneration Report, the Crown LTI was described as a mechanism for rewarding relevant senior executives for achieving certain “earnings per share targets”. Crown has been requested to provide further disclosure about:

- how the earnings per share targets are developed and set;
- why “earnings per share” is an appropriate target for the Crown LTI (as opposed to other available measures);
- what the earnings per share targets over the life of the Crown LTI are; and
- certain features of the Crown LTI such as the right of participants to receive dividends, the ability of the Plan to respond to control or capital reconstruction events and factors in the Crown LTI which are designed to ameliorate “cliff’s edge” vesting of bonus tranches.

In addition, Crown has been asked to provide a response to the perceived high level of fixed remuneration of the Chief Executive Officer and Managing Director.

Crown’s 2012 Remuneration Report has been amended and expanded to respond to the feedback referred to above.

Crown has not, however, amended its overall remuneration policy. The Crown Board remains confident that Crown’s remuneration policy and the level and structure of its executive remuneration are suitable for the company and its shareholders.

Subsequent to the 2011 Annual General Meeting, the Crown Board and the Crown Nomination and Remuneration Committee has not engaged any remuneration consultants to advise on remuneration policy or the level or structure of its executive remuneration. A consultant, Egan & Associates, has, however, reviewed this Remuneration Report and provided advice on the drafting of the 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 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 taken 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 Committee may also elect to receive advice from independent remuneration consultants, if necessary. Details regarding the composition of the 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.

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) and were not entitled to participate in Crown's Executive Share Plan.

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 are to:

- continue to maximise the performance of Crown Melbourne and Crown Perth and to manage the significant capital expenditure programs currently underway to deliver value for shareholders;
- work with MCE to maximise the value of MCE's Macau business;
- improve the profitability of Crown's international joint ventures; and
- assess other relevant growth opportunities.

Senior Executive remuneration structure is tied to these strategies and focuses.

Details 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 standing 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 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 Executive 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 Executive Chairman and approved annually following consideration by the Nomination and Remuneration Committee of his or her performance against his or her annual KPOs.

The fixed remuneration for Crown's Chief Executive Officer and Managing Director, Mr Rowen Craigie, was determined in 2007 as part of the de-merger of the gaming businesses of Publishing and Broadcasting Limited and listing of Crown Limited in December 2007. Details of Mr Craigie's remuneration, including his fixed remuneration, were included in the Demerger Scheme Booklet issued by Publishing and Broadcasting Limited and considered by Publishing and Broadcasting Limited shareholders at the Scheme meeting on 30 November 2007. Mr Craigie's fixed remuneration has not changed since that date.

Mr Craigie's fixed remuneration is in the top quartile of ASX top 50 listed companies. Mr Craigie's maximum short term incentive, however, is at the 75th percentile for the same group and below the median level on a realised basis. In addition, Mr Craigie's fixed remuneration is comparable to the CEOs of global gaming companies with operations across several jurisdictions. When taken together with his potential STI payment, Mr Craigie's remuneration is below the average of his peers in the global gaming industry.

The global gaming industry is highly competitive and the Board believes Mr Craigie's skills and experience in developing and operating major integrated resorts are in high demand in this industry. The Board believes that these capabilities, together with Mr Craigie's longstanding association with Crown's Australian businesses, are valuable to the group and that accordingly, Mr Craigie's remuneration (which was negotiated in 2007) remains appropriate.

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 67.

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 are as follows:

- Short Term Incentives (STI); and
- Long Term Incentives (the Crown LTI).

The predecessor to the Crown LTI was the Executive Share Plan (ESP). Whilst the ESP was still in operation at the commencement of financial year 2012, it was subsequently wound up and provided no practical benefit to Senior Executives.

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 Crown LTI link back to 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.

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 CEO and CFO 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 Limited CEO and CFO. The Four Year Financial Plan is then reviewed by 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 (Annual Business Plan and Budget) is prepared following approval by the Crown Board of 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.

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 ¹ and/or net profit after tax.
Typical Non-financial Objectives	<ul style="list-style-type: none"> • Management of major capital expenditure 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. • Reinforcement and delivery of outstanding customer experiences through continuous improvement in Crown’s service culture. • Successful management of Crown stakeholders, including government, media, trade unions and community organisations, to achieve targeted outcomes. • Achievement of successful expansion of customer base for Crown properties through marketing or other relevant activities. • Growth in engagement levels of employees across Crown. • Achievement of margin improvement targets through the implementation of approved programs aimed at reducing costs and increasing asset yield. • Achievement (or maintenance) of improvements in key occupational health and safety statistics. • Achievement of VIP turnover growth and market share.

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).

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 Executive 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 Executive Chairman and determined by the Nomination and Remuneration Committee on behalf of the Board.

In financial year 2012, Crown Limited's NPAT budget was exceeded and Crown Perth met its financial performance objectives for its non-VIP businesses, however, Crown Melbourne's financial performance objectives were not met. Accordingly, the group's financial performance objectives were only met in part. As a result, STI bonuses were reduced. In addition, given the achievement of some important non-financial objectives, the Board exercised its discretion and favourably adjusted the STI bonuses for some senior executives.

The CEO received 80% 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.

For a more detailed commentary on financial year 2012 STI bonuses see page 71.

2010 Crown LTI (Crown LTI)

The Crown LTI has been made available to selected senior executives with effect from 1 July 2010. All Senior Executives together with approximately 20 other senior executives in the Crown group participate in the Crown LTI. Most participants commenced participating in the Crown LTI with effect from 1 July 2010, but some executives who joined the Crown group after this date are participating on a pro rata basis.

Operation of the Crown LTI

The award of a long term incentive bonus under the 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 2011, 30 June 2012, 30 June 2013 and 30 June 2014 (each a Plan Year).

For the purposes of the Crown LTI, earnings per share (EPS) excludes contribution from Melco Crown Entertainment Limited (MCE) and is 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

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 are derived

The EPS Hurdles adopted in the Crown LTI were derived directly from EPS forecasts put in place in respect of the 2011 Four Year Financial Plan (each an EPS Target). Accordingly, the Crown LTI is specifically designed to provide an incentive to senior executives participating in the Crown LTI (Participants) to ensure the Four Year Financial Plan from financial year 2011 to financial year 2014 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 2011, financial year 2012 and financial year 2013 are 98% of the EPS Target for the relevant year in the Four Year Financial Plan. The EPS Hurdle in financial year 2014 is 100% of the EPS Target for the relevant year in the Four Year Financial Plan.

The Four Year Financial Plan upon which EPS Hurdles are based has not been varied and remains the basis for determining the Crown LTI bonus payments.

Why EPS has been used as the single measure for Crown LTI

Crown has elected to use earnings per share as the single measure for its 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 ensure the Crown group as well as individual business unit outcomes are optimised.

In developing the Crown LTI, consideration was given by the Crown Board to a range of measures as well as 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 its historical EPS Targets and EPS Hurdles as well as actual EPS, 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 Crown LTI in accordance with the following table:

Plan Year	Percentage
Plan Year 1	15%
Plan Year 2	20%
Plan Year 3	25%
Plan Year 4	40%

Bonuses are only ultimately paid at the end of financial year 2014 either by way of the transfer of shares acquired under the 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 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, Crown will pay the Plan Year Bonus earned by the Participant to the nominated Trustee and instruct the Trustee to 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 will be transferred to the Participant.

If the Plan Year is Plan Year 4, Crown will pay the Plan Year 4 Plan Year Bonus to the Participant in cash. Crown will also advise the Trustee, who will arrange for any shares held in trust to be transferred to the relevant Participant.

Effect of not achieving one or more EPS Hurdles

If an EPS Hurdle is not met, the 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 2011, financial year 2012, financial year 2013 and financial year 2014 (Cumulative EPS Hurdle) has also been met, any Carried Over Plan Year Bonuses will also be paid to the relevant Participant in cash.
- 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 in cash 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 in cash 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 Crown LTI. It does not include every permutation or combination of outcomes which the 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 Crown LTI

All dividends received on shares held in trust are passed through to the Participant. All bonuses earned in the final year of the Crown LTI (including any Carried Over Plan Year Bonuses) will be paid in cash and so no dividends are earned or passed through to executives 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 would not be entitled to any part of his or her Crown LTI bonus, except for where the Participant's employment has been 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. The shares will only be transferred to the Participant after the end of financial year 2014, in accordance with the terms of the Crown LTI.

How EPS Hurdles can be amended

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 Crown LTI from time to time.

In financial year 2012, Crown undertook a share buy back during which Crown bought back 30 million Crown shares or 4% of Crown's shares then on issue for approximately \$238.1 million. The Crown Board has considered the impact of the financial year 2012 share buy back along with the impact of other corporate activity undertaken during financial year 2012 and determined not to adjust the EPS Targets as a result of the financial year 2012 share buy-back.

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

As noted above, Crown was requested to provide more information about the nature of vesting, particularly whether the bonuses paid under the Crown LTI are in the nature of "cliff's edge" (i.e., all or nothing) outcomes or graduated outcomes.

As described above, key features of the Crown LTI are that:

- the EPS Hurdles for Plan Years 1, 2 and 3 are set at 98% of the EPS Targets in the 2011 Four Year Financial Plan; and
- if at the end of financial year 2014, 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 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 Crown LTI as well as the cumulative result.

This 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 prospective EPS Targets and historical EPS Targets

The disclosure of prospective EPS Targets would have the consequence of providing the market and Crown's competitors with Crown's forecasted 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 2011 and financial year 2012 together with Crown's actual EPS for financial year 2011 and financial year 2012.

	EPS Target (2011 Four Year Financial Plan)	EPS Target Growth (2011 Four Year Financial Plan)	EPS Hurdle (Crown LTI)*	Actual EPS	Actual EPS Growth (from previous year)	Tranche Vested?
Financial Year 2011	44.1 cents	N/A	43.2 cents	42.3 cents	(3.0%)	No
Financial Year 2012	48.7 cents	10.4%	47.7 cents	43.9 cents	3.7%	No

* In financial year 2011, financial year 2012 and financial year 2013, the EPS Hurdle is 98% of the 2011 Four Year Financial Plan EPS Target.

All references in the above table to "EPS" exclude the contribution made by MCE.

Given that the financial year 2011 and financial year 2012 EPS Hurdles were not met, participants have lost the opportunity to acquire the maximum proportion of shares (60%) under the Crown LTI.

The range of outcomes available to a Participant are now reduced. The potential maximum proportion of shares which may now be achieved has reduced to 25%.

Set out below are some further illustrations of possible future outcomes (recognising that the financial year 2011 and financial year 2012 EPS Hurdles were not met). Again, the following does not represent the full range of outcomes which might be 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?	
x	x	✓	✓		✓ 25% shares 75% cash	x 25% shares 40% cash
x	x	✓	x	✓	✓ 25% shares 75% cash	x 25% shares No cash
				x	✓ 25% shares No cash	x 25% 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.

MCE Contribution Bonus

At the commencement of the Crown LTI, the Crown Board considered it of high importance to the Crown group that MCE achieve the MCE “Contribution” targets in Crown’s Four Year Financial Plan and that certain executives who played a key role in Crown’s relationship with MCE be provided with an extra incentive to ensure this goal was achieved. Mr Craigie and Mr Nisbet are Crown nominees on the MCE Board and Mr Barton works with the MCE CFO in providing assistance on MCE financial matters.

Accordingly, in the case of Mr Craigie, Mr Barton and Mr Nisbet, part of the Maximum Bonus to which they are eligible (the MCE Contribution Bonus) is dependent on MCE achieving certain MCE Contribution hurdles (MCE Contribution Hurdles). Mr Craigie’s maximum potential MCE Contribution Bonus is approximately 15% of his Maximum Bonus and for Mr Barton it is approximately 11% and for Mr Nisbet it is approximately 17%.

The MCE Contribution Hurdles are derived from the MCE Contribution targets in Crown’s 2011 Four Year Financial Plan (MCE Contribution Targets). MCE Contribution is defined as Crown’s percentage interest in MCE from time to time, multiplied by the normalised net profit after tax of MCE.

If an MCE Contribution Hurdle is achieved in respect of a Plan Year, a Participant will become entitled to a portion of their potential Maximum Bonus. The rules on the effect of achieving or not achieving MCE Contribution Hurdles are the same as for the EPS Bonus.

The MCE Contribution Bonus is independent of the portion of the bonus which is referable to meeting the EPS Hurdles (EPS Bonus). Accordingly, Mr Craigie, Mr Barton and Mr Nisbet may achieve some or all of their entitlement to the MCE Contribution Bonus without achieving any part of the EPS Bonus and the converse also applies.

Disclosure of MCE Contribution Targets

For the same reasons set out above, Crown elects not to publicly disclose prospective MCE Contribution Targets.

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

Set out below are the MCE Contribution Targets and MCE Contribution Hurdles for financial year 2011 and financial year 2012 and MCE's actual Contribution for financial year 2011 and financial year 2012.

	MCE Contribution Target (2011 Four Year Financial Plan)	MCE Contribution Target Growth (2011 Four Year Financial Plan)	MCE Contribution Hurdle*	Actual MCE Contribution	Actual MCE Contribution Growth	Tranche Vested?
Financial year 2011	(US\$30.9 million)	N/A	(US\$31.5 million)	US\$20.4 million	154.7%	Yes
Financial year 2012	US\$37.2 million	220.4%	US\$36.5 million	US\$95.0 million	365.7%	Yes

* In financial year 2011, financial year 2012 and financial year 2013, the MCE Contribution Hurdle is 98% of the 2011 Four Year Financial Plan MCE Contribution Target.

Given that the financial year 2011 and financial year 2012 MCE Contribution Hurdles were met, participants maintain the opportunity to acquire the maximum proportion of shares as part of the MCE Contribution Bonus portion of the Crown LTI.

Details of Participation of Senior Executives in Crown LTI

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

Senior Executive	Maximum Value over four year period	30 June 2011 (15%)	30 June 2012 (20%)	30 June 2013 (25%)	30 June 2014 (40%)
Rowen Craigie	\$12,300,000	\$1,845,000	\$2,460,000	\$3,075,000	\$4,920,000
Ken Barton	\$4,500,000	\$675,000	\$900,000	\$1,125,000	\$1,800,000
Barry Felstead	\$3,600,000	\$540,000	\$720,000	\$900,000	\$1,440,000
Greg Hawkins*	\$3,000,000	\$271,500	\$642,000	\$802,500	\$1,284,000
Todd Nisbet	\$5,250,000	\$787,500	\$1,050,000	\$1,312,500	\$2,100,000

* Mr Hawkins' commencement date with Crown Melbourne Limited was 6 December 2010. Accordingly, his first year entitlement to an EPS Bonus has been reduced on a pro rata basis to approximately seven months of participation in the Crown LTI. Had Mr Hawkins been a participant from 1 July 2010, his Maximum Value over the four year period would have been \$3,210,000. The entitlements for 30 June 2012, 30 June 2013 and 30 June 2014 have been determined by reference to that Maximum Value. On account of the pro rata reduction, the total possible EPS Bonus which Mr Hawkins may achieve is \$3,000,000.

As noted in the tables above:

- in financial year 2011, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2011 have not vested. The MCE Contribution Hurdle for financial year 2011 was, however, achieved. Accordingly, an entitlement to 15% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested; and
- in financial year 2012, Crown did not meet the relevant EPS Hurdle and accordingly, EPS Bonuses for financial year 2012 have not vested. The MCE Contribution Hurdle for financial year 2012 was, however, achieved. Accordingly, an entitlement to 20% of their potential MCE Contribution Bonus for each of Mr Craigie, Mr Barton and Mr Nisbet has vested.

Set out below are the vested bonus amounts for the above participants in respect of financial year 2011 and financial year 2012:

Senior Executive	Maximum Bonus over four year period	Vested in relation to the financial year ended 30 June 2011	Vested in relation to the financial year ended 30 June 2012
Rowen Craigie	\$12,300,000	\$270,000	\$360,000
Ken Barton	\$4,500,000	\$75,000	\$100,000
Barry Felstead	\$3,600,000	Nil	Nil
Greg Hawkins	\$3,000,000	Nil	Nil
Todd Nisbet	\$5,250,000	\$135,000	\$180,000

In accordance with the rules of the Crown LTI, the vested component of the cash bonus for financial year 2011 has been (and in the case of financial year 2012 will be) applied by Crown to fund the purchase of Crown shares on market, which are to be held on trust for each of Mr Craigie, Mr Barton and Mr Nisbet until the end of financial year 2014.

Details of shares held on trust for Mr Craigie, Mr Barton and Mr Nisbet are set out below:

Senior Executive	Shares Acquired with financial year 2011 Bonus*
Rowen Craigie	35,217
Ken Barton	9,782
Todd Nisbet	17,608

* Shares acquired for an average price of \$7.65 per share.

Executive Share Plan (ESP)

As noted earlier, the predecessor to the Crown LTI was the Executive Share Plan (ESP). Whilst the ESP was still on foot at the commencement of financial year 2012, it was wound up in September 2011 and no longer operates.

The net impact over the life of the ESP and on winding up of the ESP on those Crown executives who participated in the ESP was that no Crown shares which had been issued under the ESP were retained by Crown executives and no cash bonuses were received. All dividends paid on the Crown shares issued under the ESP were repaid to Crown and used to pay interest on the loans provided to ESP participants. On winding up, all Crown ESP shares issued to participants were forfeited to Crown, sold and the proceeds used to repay the loans provided to ESP participants.

A detailed description of how the ESP operated and its features has been included in previous Annual Reports. Given that the ESP provided no practical benefit to Senior Executives, that description has not been replicated here.

Relationship between policy and company performance

As detailed above in the sections on Fixed Remuneration, STI and the Crown LTI, 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 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 and the achievement of MCE Contribution Targets (in the case of the 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;
- The Crown LTI may be payable where Crown achieves predetermined EPS Hurdles in financial year 2011, financial year 2012, financial year 2013 and financial year 2014; and
- A component of the Crown LTI may be payable to key senior executives involved in managing the performance of MCE, where MCE has achieved predetermined MCE Contribution Targets.

This year, normalised EBITDA generated by Crown Melbourne and Crown Perth, Crown's wholly owned Australian casinos, grew by 5.1%. The compound average normalised EBITDA growth for Crown Melbourne and Crown Perth for the five year period commencing from financial year 2007 through to financial year 2012 was 4.9%. Normalised Crown group NPAT grew by 22.0% in financial year 2012. The compound average normalised NPAT growth for the Crown group for the four year period commencing from financial year 2008 through to financial year 2012 was 2.9%.

The table below sets out information about movements in shareholder wealth for the years ended 30 June 2008, 30 June 2009, 30 June 2010, 30 June 2011 and 30 June 2012.

	Year ended 30 June 2008	Year ended 30 June 2009	Year ended 30 June 2010	Year Ended 30 June 2011	Year Ended 30 June 2012
Share price at start of period	NA ¹	\$9.29	\$7.27	\$7.77	\$8.93
Share price at end of period	\$9.29	\$7.27	\$7.77	\$8.93	\$8.49
Full year dividend	54 cents ²	37 cents ³	37 cents ³	37 cents ⁴	37 cents ⁵
Basic/diluted earnings per share ⁶	54.58 cps	33.74 cps	38.54 cps	44.29 cps	69.78 cps

Notes:

1. As Crown was admitted to the official list of the ASX on 3 December 2007, there is no trading data for 1 July 2007.
2. Franked to 40% with unfranked component made up of conduit foreign income.
3. Franked to 60% with none of the unfranked component comprising conduit foreign income.
4. Interim dividend franked to 60% and final dividend franked to 50% with none of the unfranked components comprising conduit foreign income.
5. Franked to 50% with none of the unfranked component comprising conduit foreign income.
6. Excluding the effect of discontinued operations and significant items.

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

Crown's policy prohibits Directors and Senior Executives entering into transactions in associated products which limit economic risk. This is described in the Corporate Governance Statement.

Remuneration Details for Non-Executive Directors

Non-Executive Directors

Non-Executive Directors are entitled to a base fee of \$100,000 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 of \$60,000 per annum.

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 & Environment Committee, the Nomination and Remuneration Committee or the Risk Management Committee):

- \$20,000 per annum for acting as Chair of an active Board Committee; or
- \$10,000 per annum for acting as a member of an active Board Committee.

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

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

There is no intention to seek an increase of the Non-Executive Directors' fee cap at the 2012 Annual General Meeting.

Set out below is a table showing Non Executive Director remuneration for financial years 2012 and 2011.

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		
Ben Brazil	2012	120,000	–	–	10,800	–	–	–	130,800
Non-Executive Director	2011	103,333	–	–	9,300	–	–	–	112,633
Helen Coonan¹	2012	58,333	–	–	5,250	–	–	–	63,583
Non-Executive Director	2011	–	–	–	–	–	–	–	–
Christopher Corrigan	2012	110,000	–	–	9,900	–	–	–	119,900
Non-Executive Director	2011	110,000	–	–	9,900	–	–	–	119,900
Rowena Danziger²	2012	210,000	–	–	–	–	–	–	210,000
Non-Executive Director	2011	208,107	–	–	–	–	–	–	208,107
Geoffrey Dixon	2012	140,000	–	–	–	–	–	–	140,000
Non-Executive Director	2011	140,000	–	–	–	–	–	–	140,000
David Gyngell⁵	2012	–	–	–	–	–	–	–	–
Non-Executive Director	2011	21,970	–	–	1,977	–	–	–	23,947
John Horvath²	2012	190,000	–	–	15,775	–	–	–	205,775
Non-Executive Director	2011	151,288	–	–	13,616	–	–	–	164,904
Ashok Jacob³	2012	–	–	–	–	–	–	–	–
Non-Executive Director	2011	–	–	–	–	–	–	–	–
Michael Johnston³	2012	–	–	–	–	–	–	–	–
Non-Executive Director	2011	–	–	–	–	–	–	–	–
Harold Mitchell	2012	77,000	–	–	42,900	–	–	–	119,900
Non-Executive Director	2011	2,237	–	–	40,000	–	–	–	42,237
Richard Turner⁴	2012	–	–	–	–	–	–	–	–
Non-Executive Director	2011	150,000	–	–	–	–	–	–	150,000
2012 TOTALS		905,333	–	–	84,625	–	–	–	989,958
2011 TOTALS		886,935	–	–	74,793	–	–	–	961,728

Notes:

- Ms Coonan was appointed on 2 December 2011.
- 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 Jacob nor Mr Johnston receives remuneration for their services to Crown.
- Mr Turner resigned 1 May 2011.
- Mr Gyngell resigned as a director on 25 November 2010. His fees are representative of the period commencing 13 September 2010 through to 25 November 2010.

Remuneration details for Senior Executives

Senior Executives

Senior Executives are employed under service agreements with Crown or a business of the Crown group. 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;
- 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 three 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, notice may be given in writing or payment may be made (wholly or partly) in lieu of notice;
- 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 during the financial year ending 30 June 2012 are summarised in the tables on the following pages. Where a Senior Executive has had more than one contract of employment during the year, or where a new contract of employment has been entered into post year end, this has been noted in those tables.

Summary of Contracts of Employment Applicable During the Year Ended 30 June 2012

	James D Packer	John H Alexander
Current Position	Executive Chairman	Executive Deputy Chairman (commenced 1 December 2007): Mr Alexander currently has a five year employment agreement with Crown Limited which is due to expire in December 2012.
Fixed Remuneration		
Base salary:	Nil. The Executive Chairman, Mr Packer, does not receive any remuneration for his services to Crown. Mr Packer acts as a Director of Melco Crown Entertainment Limited, a company in which Crown has a significant investment. Mr Packer does not receive a fee from Crown for these services.	\$1,484,225 per annum (increasing annually by CPI) ¹
Superannuation		Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 per annum.
Non-monetary benefits and other:	Complimentary privileges at Crown Melbourne and Crown Perth facilities.	Complimentary privileges at Crown Melbourne and Crown Perth facilities and superannuation.
Performance based remuneration	Not applicable	Not applicable
2012 Percentage breakdown of remuneration	Not applicable	Fixed remuneration² 100% STI 0% LTI 0%
Post employment benefits	Not applicable	Nil
Post-employment restraint	Not applicable	Crown may impose a restraint for the five year term of Mr Alexander's employment agreement up to 30 November 2012.
Termination		
By Senior Executive:	Not applicable	12 months' notice.
By Crown:	Not applicable	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
Termination benefits	Not applicable	Nil
Payments made prior to commencement	Not applicable	Nil
Directors' Fees	Nil	Nil

1. Mr Alexander's CPI review in the 2008–2012 financial years has been deferred with his consent.

2. Includes voluntary and compulsory superannuation.

	Rowen B Craigie	Kenneth M Barton				
Current Position	Chief Executive Officer and Managing Director (commenced 1 December 2007): Mr Craigie's five year employment agreement with Crown Limited which was due to expire in December 2012 was extended on 15 September 2011 and will expire on 30 November 2015.	Chief Financial Officer (commenced 9 March 2010): Mr Barton's employment contract with Crown Limited commenced on 9 March 2010 and expires in March 2015.				
Fixed Remuneration						
Base salary:	\$2,984,225 per annum.	\$1,284,225 per annum.				
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 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.	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.				
Performance based remuneration						
STI:	A maximum of \$1,000,000, assessed by the Executive 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.	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 Craigie participates in the Crown LTI. See further page 55.	Mr Barton participates in the Crown LTI. See further page 55.				
2012 Percentage breakdown of remuneration	Fixed remuneration¹	STI	LTI	Fixed remuneration¹	STI	LTI
	43%	12%	45%	45%	18%	37%
Post employment benefits	Nil			Nil		
Post-employment restraint	Crown may impose a restraint for various periods up to 24 months.			Nil		
Termination						
By Senior Executive:	12 months' notice.			6 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.			6 months' notice without cause; one month's notice for performance issues (following at least three months' notice to improve); three months' notice for incapacity.		
Termination benefits	Subject to the receipt of shareholder approval, Mr Craigie will be entitled to receive a severance payment equal to 24 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 this severance payment.			Nil		
Payments made prior to commencement	Nil			A \$400,000 sign on payment in 2010 less applicable taxes in order to compensate Mr Barton for unvested incentives forfeited on cessation of employment with his previous employer.		
Directors' Fees	Nil			Nil		

1. Includes voluntary and compulsory superannuation.

	Greg F Hawkins	Barry J Felstead												
Current Position	Chief Executive Officer, Crown Melbourne (from 5 December 2011): Mr Hawkins' employment contract with Crown Melbourne in the role of Deputy Chief Executive Officer commenced on 6 December 2010 and will expire in accordance with its terms. Mr Hawkins commenced the role of Chief Executive Officer of Crown Melbourne on 5 December 2011.	Chief Executive Officer, Crown Perth (from 6 March 2007): Mr Felstead entered into his current contract of employment on 24 June 2011 which will expire in accordance with its terms.												
Fixed Remuneration														
Base salary:	\$1,034,225 per annum.	\$1,014,225 per annum.												
Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 per annum.	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 per annum.												
Non-monetary benefits and other:	<p>Complimentary privileges at Crown Melbourne and Crown Perth facilities, mobile telephone and salary sacrifice arrangements for motor vehicle and superannuation.</p> <p>Mr Hawkins was previously employed by Crown Melbourne Limited to act in a Chief Executive Role on a secondment basis at Crown's investment properties in Macau.</p> <p>Under that contract of employment, upon his return to Australia, Mr Hawkins was entitled reasonable relocation expenses for Mr Hawkins and his family. The value of that benefit has been included in the Senior Executive remuneration table.</p>	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 one annual economy airfare between Perth and Melbourne for himself and his family.												
Performance based remuneration														
STI:	Discretionary STI based on the performance of Crown Limited and the achievement of personal KPOs. Mr Hawkins' annual target STI is 40% of his TEC.	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 Hawkins participates in the Crown LTI. See further page 55.	Mr Felstead participates in the Crown LTI. See further page 55.												
2012 Percentage breakdown of remuneration	<table border="1"> <thead> <tr> <th>Fixed remuneration¹</th> <th>STI</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">54%</td> <td style="text-align: center;">5%</td> <td style="text-align: center;">41%</td> </tr> </tbody> </table>	Fixed remuneration ¹	STI	LTI	54%	5%	41%	<table border="1"> <thead> <tr> <th>Fixed remuneration¹</th> <th>STI</th> <th>LTI</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">40%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">35%</td> </tr> </tbody> </table>	Fixed remuneration ¹	STI	LTI	40%	25%	35%
Fixed remuneration ¹	STI	LTI												
54%	5%	41%												
Fixed remuneration ¹	STI	LTI												
40%	25%	35%												
Post employment benefits	Nil	Nil												
Post-employment restraint	Crown may impose various restraint periods for a period of up to 12 months post employment.	Crown may impose various restraint periods for a period of up to 12 months post employment.												
Termination														
By Senior Executive:	6 months' notice.	6 months' notice.												
By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.												
Termination benefits	Nil	Nil												
Payments made prior to commencement	Nil	Nil												
Directors' Fees	Nil	Nil												

1. Includes voluntary and compulsory superannuation.

W. Todd Nisbet

Current Position	Executive Vice President – Strategy and Development (from 9 August 2010): Mr Nisbet's three year employment agreement with Crown Limited which was due to expire in August 2013 was extended on 30 August 2011 and will expire on 30 November 2014.
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Fixed Remuneration

Base salary:	\$1,560,025 per annum.
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Superannuation	Compulsory Superannuation Guarantee Contributions up to the maximum contribution base, equating to \$15,775 per annum.
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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.
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Mr Nisbet is entitled to Relocation Benefits to assist with the relocation of him and his family from Nevada, USA to Melbourne.

During Mr Nisbet's employment with Crown, he will also be 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.

Performance based remuneration

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.
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LTI:	Mr Nisbet participates in the Crown LTI. See further page 55.
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2012 Percentage breakdown of remuneration	Fixed remuneration ¹	STI	LTI
	44%	24%	32%

Post employment benefits	Nil
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Post-employment restraint	Crown may impose various restraint periods for a period of up to 12 months post employment.
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Termination

By Senior Executive:	6 months' notice.
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By Crown:	12 months' notice without cause; one month's notice for performance issues; three months' notice due to incapacity.
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Termination benefits	Nil
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Payments made prior to commencement	Nil
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Directors' Fees	Nil
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1. Includes voluntary and compulsory superannuation.

Remuneration table for Senior Executives

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 2012 and 30 June 2011 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.

Fixed Remuneration

Neither of Mr Alexander nor Mr Craigie received an increase to their fixed remuneration in financial year 2012 as compared with financial year 2011.

Messrs Nisbet and Hawkins commenced new roles with the group in financial year 2011. Each of Mr Nisbet and Mr Hawkins was required to relocate with their families to Melbourne, Australia to take up their respective roles. In Mr Nisbet's case, he relocated from Las Vegas in the USA and, in Mr Hawkins' case, he relocated from Macau. Crown met the once off costs associated with Mr Nisbet's and Mr Hawkins' respective relocations and these were reported as part of their financial year 2011 fixed remuneration. Going forward, Mr Nisbet will also be entitled to additional customary benefits relating to his relocation as described in the summary of his employment contract.

Short Term Incentives (STI)

In financial year 2012, Crown Limited's NPAT budget was exceeded and Crown Perth met its financial performance objectives for its non-VIP businesses, but Crown Melbourne's financial performance objectives were not met. The group achieved its normalised NPAT budget, largely as a result of the performance of MCE's businesses in Macau. Accordingly, the group's financial performance objectives were only met in part.

As a result, STI bonuses were reduced. In addition, given the achievement of some important non-financial objectives, including the successful management of major capital expenditure projects at both Crown Melbourne and Crown Perth, the important restructure of some key business units, the successful implementation of a number of margin improvement projects and the management of key stakeholders associated with major projects, the Board exercised its discretion and favourably adjusted STI bonuses for some senior executives.

In recognition of the partial achievement of financial performance objectives at the group level, STI bonuses were generally reduced by 30% and at Crown Melbourne and Crown Perth they were reduced by 80% and 20% respectively.

In the case of Mr Craigie, he received 80% of his target STI bonus of \$1 million and did not receive the second discretionary tranche of \$1 million for exceptional performance by the group. Messrs Barton, Felstead and Nisbet all received discretionary STI bonuses based, in part, on the partial achievement of financial performance objectives, but largely on the achievement of significant non-financial performance objectives, including progress on refinancing Crown's debt, the commencement of the Crown Towers Perth project (including reaching agreement with the WA Government) and the successful delivery of a number of major capital expenditure projects. Messrs Craigie, Barton and Nisbet provide significant support to MCE, with Messrs Craigie and Nisbet representing Crown on the MCE Board and a number of MCE subsidiary boards. Mr Hawkins' STI bonus covers a 19 month period from when he commenced his employment with Crown Melbourne. Mr Hawkins did not receive an STI bonus in financial year 2011.

Long Term Incentives (LTI)

As summarised earlier, Senior Executives participate in the Crown LTI.

In accordance with relevant accounting standards, the Crown LTI is included in the remuneration for each Senior Executive 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. Accordingly, 25% of the total 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 and second tranches of the Crown LTI represents 15% and 20% (respectively) of the total Crown LTI bonus for which each Senior Executive is eligible. The EPS Hurdle of the Crown LTI for financial year 2011 and financial year 2012 were not met, but the MCE Contribution Hurdles were met, resulting in 15% and 20% (respectively) of the MCE Contribution Bonus of the Crown LTI for eligible Senior Executives vesting. Detail of the actual sums vested to relevant Senior Executives has been provided earlier.

	Financial Year	Short Term Benefits					Post-employment Benefits – Super-annuation ⁴	Long Term Incentives				Total
		Salary & Fees	Non Monetary	Other	STI	% of max STI		Cash Based	Equity Based – Crown LTI ⁵	Equity Based – ESP ⁶	Termination Benefits	
James Packer Executive Chairman	2012	-	-	-	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-	-	-	-
John Alexander Executive Deputy Chairman	2012	1,484,225	-	-	-	-	15,775	-	-	-	-	1,500,000
	2011	1,484,801	-	-	-	-	15,199	-	-	-	-	1,500,000
Ken Barton Chief Financial Officer	2012	1,284,225	56,753	-	550,000	110%	15,775	1,125,000	-	-	-	3,031,753
	2011	1,234,801	44,220	-	400,000	80%	15,199	1,125,000	-	-	-	2,819,220
Rowen Craigie Chief Executive Officer & Managing Director	2012	2,984,225	-	-	800,000	80%	15,775	3,075,000	-	-	-	6,875,000
	2011	2,984,801	-	-	600,000	60%	15,199	3,075,000	1,035,275	-	-	7,710,275
Barry Felstead Chief Executive Officer Burswood Limited	2012	1,014,225	-	-	650,000	158%	15,775	900,000	-	-	-	2,580,000
	2011	984,801	-	-	400,000	100%	15,199	900,000	68,211	-	-	2,368,211
Greg Hawkins ¹ Deputy Chief Executive Officer Crown Melbourne Limited	2012	970,588	-	-	84,000	20%	15,775	750,000	-	-	-	1,820,363
	2011	522,836	-	87,320	101,000	50%	11,400	750,000	-	-	-	1,472,556
Todd Nisbet ² Executive Vice President – Strategy & Development	2012	1,560,025	-	240,876	985,000	125%	15,775	1,312,500	-	-	-	4,114,176
	2011	1,346,587	-	326,053	750,000	100%	15,199	1,312,500	-	-	-	3,750,339
David Courtney ³	2012	-	-	-	-	-	-	-	-	-	-	-
	2011	1,335,000	-	-	74,521	50%	25,000	-	-	110,161	3,790,845	5,335,527
2012 TOTALS		9,297,513	56,753	240,876	3,069,000	-	94,650	7,162,500	-	-	-	19,921,292
2011 TOTALS		9,893,627	44,220	413,373	2,325,521	-	112,395	7,162,500	1,213,647	3,790,845	24,956,128	

Notes:

- Mr Hawkins commenced in his role as Deputy Chief Executive Officer on 6 December 2010. On 5 December 2011, Mr Hawkins became Chief Executive Officer of Crown Melbourne. Mr Hawkins received a total STI payment of \$185,000 which, in accordance with his contract of employment, relates to performance for both the 2011 and 2012 financial years on a pro rata basis. The STI has therefore been split over the two years in the above table.
- Mr Nisbet commenced in his role as Executive Vice President – Strategy and Development on 9 August 2010. Refer to the summary of Mr Nisbet's contract of employment for a description of the short term entitlements to which Mr Nisbet is entitled.
- Mr Courtney ceased performing the role of Chief Executive Officer of Crown Melbourne Limited on 8 October 2010. In accordance with the terms of his Employment Agreement, Mr Courtney remained an employee of the Crown group until 8 October 2011 (representing a 12 month notice period) at which time he was be paid a severance payment in accordance with his Employment Agreement which included an entitlement to a payment of 24 months fixed remuneration upon cessation of employment. Those amounts were accrued in the 2011 financial year and were included in the 2011 Termination Benefits. Mr Courtney's STI represented 50% of his maximum target STI on a pro rata basis over the period 1 July 2010 to 8 October 2010 when he ceased performing the role of Chief Executive Officer of Crown Melbourne Limited.
- Long service leave accrued balances have increased during the financial year ended 30 June 2012 for the following Senior Executives: Mr Alexander \$24,983, Mr Barton \$21,738, Mr Craigie \$49,967, Mr Felstead \$17,167, Mr Hawkins \$18,605, Mr Nisbet \$26,349.
- The 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.
- AASB 2 "Share-Based Payment" requires an entity to recognise the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee. As the modification to the ESP post Demerger reduced the total fair value of the share-based payment arrangement, Crown continued to account for the services rendered as consideration for the equity instruments granted as if the modification had not occurred. The allocation of the expenses for Equity Based payments to the Senior Executives made following the PBL Scheme and the Demerger Scheme was consistent with the split of the PBL ESP Loan as between CMH and Crown Limited (25 percent/75 percent).

Signed in accordance with a resolution of the Directors.



 J D Packer
Director



 R B Craigie
Director

Melbourne, 19th day of September, 2012