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27 November 2017

Mr Ben Considine  
Inspector Compliance  
Victorian Commission for Gambling and Liquor Regulation  
Level 3, 12 Shelley Street  
RICHMOND VICTORIA 3121

By email: [REDACTED]

Dear Ben

Thank you for your emails of 25 September and 5 October 2017. My apologies for the delay in responding. Our responses now follows:

*Minutes from Crown Resorts Board and sub-committee meetings*

1. There are no specific minutes of meetings of the Crown Resorts Board or the Risk Management Committee regarding the assessment of Crown's business operations within mainland China. This is because Crown's business operations within mainland China were not assessed in isolation, separately from Crown's other operations.

The Risk Management Committee meets to review the 'Risk Profile' for the Crown Group on an annual basis. Attached is a copy of the minutes of one such meeting of the Risk Management Committee on 22 June 2016, including the mark up of the 'Risk Profile' with changes from the profile approved on 13 May 2015. We draw your attention in particular to Item 12, dealing with material breaches of gaming and other relevant legislation/regulations.

Also attached is a copy of the minutes of the Risk Management Committee meeting on 17 November 2016 which also refer to the Risk Profile, together with a copy of the separate paper in relation to the China incident referred to in the minutes and a copy of the 'Crown Resorts Limited – Report Against Material High Risks' dated 31 October 2016 which was included in the papers for the 17 November 2016 meeting.

*Crown's Group Risk Committee's Charter, Management plan and Management Policy post 1 July 2016*

2. Attached are copies of:

- (a) the charter of the Risk Management Committee. This document was last updated in August 2016. (The changes made at that time are marked in track changes in the second attached version of the charter);
- (b) Crown's Risk Management Policy; and
- (c) the Risk Management Plan for Crown Melbourne (including annexures) that has been in place since November 2016, which incorporates risk management for international operations from Crown Melbourne, together with the Plan for Crown Melbourne that immediately preceded the November 2016 Plan.

We draw your attention to the references in Crown Melbourne's Risk Management Plan to:

- (d) material breaches of gaming and other relevant legislation/regulations;
- (e) foreign political policy; and
- (f) legislative/regulatory changes, which include changes to government policy (which in turn include government policy on enforcement, although that is not specifically referenced).

*Communications with Staff in China*

3. Because Crown did not have an office in mainland China, there was less formality in communications with staff located there than staff based in Australia. Briefings on compliance aspects evidently occurred primarily by teleconference, rather than by email.

Further, for reasons of confidentiality, we understand that many written communications made by staff in China were via platforms such as 'WeChat' and 'WhatsApp', rather than by email. Communications on such platforms are not retained on Crown's centralised IT systems.

We have uncovered one briefing document, which is attached. We have redacted the section which sets out the legal advice, so as not to waive legal professional privilege in relation to it.

You will see that the document refers to a protocol. A copy of this protocol is also attached.

The briefing document was evidently prepared and used by Michael Chen, who was then the head of the VIP international team, based in Hong Kong. He is no longer with the company. We believe that the briefing document was prepared for a staff teleconference in early to mid-2015.

We have also located an email that Mr Chen sent on 25 February 2015, which is attached. The email does not constitute a briefing on Crown's operating procedures per se but does remind staff of certain guidelines that staff were to follow in China. (We have redacted the section of the email which sets out legal advice, so as not to waive legal professional privilege in relation to it.)

*Report concerning the detention of South Korean Casino employees in 2015*

4. The detention of South Korean casino staff in 2015 was not reported to, or the subject of a report by, the Risk Management Committee. This was because it

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was concluded at management level that nothing material had changed as a result of those detentions.

*Advice received from Wilmer Hale and Mintz regarding China operations*

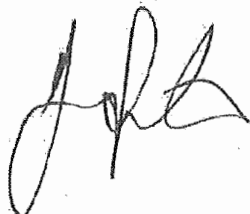
5. Crown is not in a position to provide the VCGLR with copies of legal advice that it received from Wilmer Hale or any other firm, as Crown does not intend to waive privilege in respect of that advice.
6. We enclose the key advices provided by the Mintz group that we have located in the course of reviewing emails of former employees in the VIP international team.

*Information received by the Crown group addressing its China operations in particular advice addressing concerns to mitigate Article 303 and 25 of the Criminal Law of the People's Republic of China*

7. Our investigations have not uncovered any information or advice concerning mitigation of the risk of breaching Articles 303 and/or 25 other than legal advice in respect of which Crown does not intend to waive legal advice, and the advice of Mintz referred to above.

I trust that this addresses your requests, but please let me know if you need anything further.

Yours sincerely



Joshua Preston  
Chief Legal Officer – Australian Resorts

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