



## Executive Risk and Compliance Committee - Minutes

**Committee Name:** Executive Risk and Compliance Committee Meeting

**Date Held:** Wednesday, 30 January 2019

**Commencement Time:** 10:05 AEDT

**Present:** Joshua Preston (Chairman/Chief Legal Officer – Australian Resorts)  
 Barry Felstead (Chief Executive Officer – Australian Resorts)  
 Peter Crinis (Chief Operating Officer – Hotels, Retail & F&B Melbourne)  
 Alicia Gleeson (Executive General Manager – Human Resources)  
 Sean Knights (Executive General Manager – Table Games)  
 Alan McGregor (Chief Financial Officer – Australian Resorts)  
 Andre Ong (Group Chief Information Officer – Crown Resorts)  
 Xavier Walsh (Chief Operating Officer)  
 Anne Siegers (Group General Manager – Risk and Audit)  
 Mark Mackay (Executive General Manager – Gaming Machines)  
 Michelle Fielding (Committee Executive Officer/Group General Manager – Regulatory and Compliance)

**Invitees:** Ken Barton (Chief Financial Officer and CEO Crown Digital – Crown Resorts)  
 Mary Manos (General Counsel and Company Secretary – Crown Resorts)

**Apologies:** Nicolas Emery (Chief Marketing Officer – Crown Resorts)  
 Mark Holmes (Executive General Manager – Food and Beverage)

Business	Action	Due Date
<p><b>1. Confirmation of Minutes</b></p> <p>The members confirmed the Minutes of the Executive Risk and Compliance Committee (<b>Committee</b>) Meeting dated 13 November 2018.</p>		
<p><b>2. Business Arising</b></p> <p>AML/CTF Update - The Chairman provided an update on whether Crown's active partner database could be washed against lists of undischarged bankrupts. The Chairman noted that Crown can screen for undischarged bankrupts at USD31 per person.</p> <p>It was proposed to commence looking at black, platinum and gold tier members also note bankrupts that come to our attention.</p> <p>Mr Felstead queried whether Crown stops bankrupt people from gaming with a loyalty card, so that they are not rewarded for gaming activity. Mr Walsh confirmed that is the current policy – Mr Walsh also confirmed that Crown doesn't permit known bankrupt patrons to enter any of the VIP rooms.</p>		

<p>Mr Walsh talked to whether Crown can permit bankrupt patrons to redeem their points on non-gaming spend and suggested that Crown issue them with a gift card for the value of their points, as this can't be used for gaming.</p>	<p><b>Chairman</b></p>	<p>May 2019</p>
<p>The Committee acknowledged that it can only action the bankrupt patrons that it is aware of and the Chairman again undertook to update the Committee on possible costs.</p>		
<p>Internal Audit Update – Mr Ong noted there are not many users of Dropbox remaining. He is continuing to review Dropbox users and to monitor for outgoing files. The Chairman queried whether Sharefile (Dropbox files have been largely transitioned to Sharefile) can deal with large files (Projects are having difficulty). Mr Ong said that they can assist in managing those folders they are aware of and Sharefile can mostly deal with large files.</p>		
<p>Risk Update – The Committee provided feedback on the proposed 'Corporate Risk Profile' and suggested that RSA be split out as a standalone item, which Mrs Siegers undertook to action. Mrs Siegers confirmed that she had amended the 'Consequence' in the Melbourne Corporate Risk Map for Acts of Terrorism from 'major' to 'severe'; and amended the 'Likelihood' for Volatility of Gaming Revenue from 'unlikely' to 'possible'.</p>	<p><b>GGMRA</b></p>	<p>May 2019</p>
<p>Compliance and Regulatory Update - Mr Ong advised that the investigation into the soft count failing to load to the Master Gaming Report is complete and it was determined that the soft count could be interrupted, which wasn't previously known. He further advised it was likely on this occasion that it was inadvertently stopped (possibly as a result of the new \$50 being released the day prior). Mr Ong will arrange for software to be put in place to stop the ability to abort or interrupt the soft count.</p>		
<p>Mr Emery undertook to update the Committee at the next meeting, as to options for methods of communicating with patrons, which are preferable to email for privacy.</p>	<p><b>CMO</b></p>	<p>May 2019</p>
<p>Following a query from the VCGLR regarding commission paid for play on Pai Gow (which was permitted by the Junket Agreement but could be better clarified), Ms Fielding confirmed that the Agreement had been modified to make it clear that commission was payable on any game at Crown's discretion. Ms Manos queried whether a similar clarification was required for other Agreements, which Ms Fielding undertook to review.</p>		
	<p><b>GGMRC</b></p>	<p>May 2019</p>

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<p>AML/CTF Update – The Chairman provided an update on the identification and reporting of errors to AUSTRAC. AUSTRAC’s view is that they are happy for the errors to be recalled, as they appreciate the process of review and recovery. The Chairman detailed that the AML team reviews the reports and information they receive from the gaming floor, Crown Rewards and the Cage, which identifies any errors, which are then addressed as required.</p>		
<p><b>3. Internal Audit</b></p> <p><i>3.1 Internal Audit Report</i></p> <p>Mrs Siegers highlighted a concern with staff using their own devices, which do not have Airwatch installed. The Executive has met on this issue and agreed everyone must either use work issued devices or have Airwatch installed on their private devices. Mr Ong spoke to this being about protecting Crown’s information, not accessing people’s information on their devices and will action the implementation of the requirement.</p> <p>Mrs Siegers invited the Committee to provide her any feedback they have regarding the revised Audit Plan.</p> <p>Mrs Siegers noted the notification and distribution of internal audit report protocol recommendations which were adopted by the Committee.</p> <p><i>3.2 Status of Internal Audit Recommendations</i></p> <p>There were no comments raised by the Committee in respect of the Internal Audit Update and the paper was “taken as read”.</p>	<p><b>GCIO</b></p> <p><b>All</b></p> <p><b>All</b></p>	<p>May 2019</p> <p>May 2019</p> <p>May 2019</p>
<p><b>4. Risk Update</b></p> <p><i>4.1 Strategic Risk Update</i></p> <p>Mrs Siegers spoke to the alignment of the property Risk Reports with the format of the Crown Resorts’ Report.</p> <p>Mrs Siegers noted that all three boards (Resorts, Melbourne and Perth) approved the Risk Appetite and sought the Committee’s feedback regarding the Risk Appetite Dashboard.</p> <p>Mrs Siegers spoke to the Crown Melbourne Corporate Risk Map – and the addition of item 22 ‘Breakdown in relationship with key government, legislative or regulatory body’. The Committee also discussed item 13 ‘Responsible business model’ and whether RSG and RSA should be separated out in that item. The</p>		

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<p>Chairman requested that RSG become a separate item. The Committee also requested that RSA stood alone as a new risk, given the importance of the matter. Mrs Siegers undertook to make this change. The Chairman asked Mrs Siegers to circulate the definitions of each risk to the Committee.</p> <p>Mrs Siegers also spoke to Deloitte being engaged to review Crown's Risk Framework in accordance with the s25 Review Recommendations. Once a copy of the Deloitte report is received, the strategy will be finalised and taken to the Board.</p> <p>There were no further comments raised by the Committee in respect of the Strategic Risk Update and the paper was otherwise "taken as read".</p> <p><b>4.2 Emerging Risks</b></p> <p>There were no comments raised by the Committee in respect of the Emerging Risks Update and the paper was "taken as read".</p>	<p><b>GGMRA</b></p>	<p>May 2019</p>
<p><b>5. Compliance and Regulatory</b></p> <p><b>5.1 Compliance and Regulatory Update</b></p> <p>The Chairman provided a status update of the Compliance Framework progress and spoke to the positive engagement of participants in the Compliance Committee Meetings.</p> <p>The Chairman spoke to a new Cage matter identified by an Ernst &amp; Young audit; and a new EGM matter regarding AGT machines having a few seconds of delay before they acknowledge that a card has been removed, when playing in unrestricted mode. The AGT delay was notified to the VCGLR and a fix developed.</p> <p>The Chairman referenced that the VCGLR was changing its practices by writing to Crown on relatively minor matters that were historically dealt with in a more informal manner.</p> <p>Mr Walsh undertook to provide an update on the status of the health of the employees in the assault matter at The Pub.</p> <p>Mr Walsh undertook to provide an update on the status of whether Crown will proceed with having PSOs.</p> <p>The Chairman spoke to the status of the China investigation and the breadth of the documents and the complicated process of identifying relevant material in emails etc. It is expected (as indicated by the VCGLR) that the VCGLR will provide Crown a draft report in February/March for Crown's review and</p>	<p><b>COO</b></p> <p><b>COO</b></p>	<p>May 2019</p> <p>May 2019</p>

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<p>comment, which will then be provided to the Minister for Gaming.</p> <p>Jason O'Connor will be returning to work on Monday, 4 February 2019 in a non-licensed function.</p> <p>There were no further comments raised by the Committee in respect of the Compliance and Regulatory Update and the paper was otherwise "taken as read".</p> <p><b>5.2 Section 25 Recommendations</b></p> <p>The Committee reviewed the Status of Recommendations Table – which are all tracking to timeline. Two of the Recommendations have been completed to date.</p>		
<p><b>6. Litigation Update</b></p> <p>The Chairman spoke to the Litigation Update.</p> <p>There were no further comments raised by the Committee in respect of the Litigation Update and the paper was otherwise "taken as read".</p>		
<p><b>7. AML/CTF Update</b></p> <p>The Chairman noted that Crown has received notice from AUSTRAC of a compliance review of Perth, which they will undertake in June 2019.</p> <p>It was also noted that Melbourne is to host AUSTRAC's 'Financial Analyst Course' participants, for a tour of the property and some compliance insights.</p> <p>Mr Barton queried the inaccuracies in Crown's AUSTRAC reporting, that are identified and recalled.</p> <p>The Chairman outlined that the AML team reviews relevant reports and information from the Cage, Crown Rewards and Table Games teams to identify and correct errors prior to the reports being filed. These reports that we lodged with errors (of which there are a limited amount) are recalled and corrected in accordance with AUSTRAC processes. The Chairman advised that he had spoken to AUSTRAC about this and they were comfortable about Crown's processes.</p> <p>There were no further comments raised by the Committee in respect of the AML/CTF Update and the paper was otherwise "taken as read".</p>		

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<p><b>8. Health, Safety &amp; Wellbeing Update</b></p> <p>Ms Manos queried whether we are addressing with the external cleaners their part in issues that arise – Mr McGregor undertook to review what follow-up and recourse we have had with the external cleaners.</p> <p>There were no further comments raised by the Committee in respect of the Health, Safety and Wellbeing Update and the paper was otherwise “taken as read”.</p>	CFO	May 2019
<p><b>9. Responsible Service Update</b></p> <p><i>9.1 Responsible Gaming</i></p> <p>The Chairman noted that a draft Strategic Plan was being prepared as part of the s25 Review Recommendations.</p> <p>The Chairman spoke to the progress of the Crown Model.</p> <p>The Chairman passed out the ‘Responsible Gaming Information for Employees’ card, which was a response to improve staff knowledge on the floor.</p> <p>No response has been received from Anna Bardsley regarding Crown’s invitation to form the Crown Resorts Responsible Gaming Community Engagement Group. Mr Felstead undertook to follow up with Karl Bitar, asking that he send a letter confirming what work has been done and extending the offer again.</p> <p>Crown has had positive progress with Alex Blaszczyński, he has asked to meet with Crown again to discuss the role and some minor matters.</p> <p>There were no further comments raised by the Committee in respect of the Responsible Gaming Update and the paper was otherwise “taken as read”.</p> <p><i>9.2 Responsible Service of Alcohol</i></p> <p>The Responsible Service of Alcohol Update was “taken as read”.</p>	CEO	May 2019
<p><b>10. Emerging Risks</b></p> <p>Mr McGregor spoke to a Government initiated task force being put together around climate change and proposed that Crown review its risks regarding this.</p>		

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<b>11. Other Business</b>		
No other business was raised.		

The next meeting is scheduled for 21 May 2019.

There being no further business, the Chairman closed the meeting at 11:45.

Joshua  
Chairman



21/05/2019  
Date

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